



FEDERAL TRADE COMMISSION

FISCAL YEAR 2019
CONGRESSIONAL BUDGET JUSTIFICATION

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

MAUREEN K. OHLHAUSEN
ACTING CHAIRMAN

February 12, 2018

The Honorable Tom Graves
Chairman
Subcommittee on Financial Services and General Government
U.S. House of Representatives
Washington, DC 20515

The Honorable Shelley Moore Capito
Chairman
Subcommittee on Financial Services and General Government
United States Senate
Washington, DC 20510

Dear Chairmen Graves and Capito:

This letter transmits the budget justification for the Federal Trade Commission (FTC) in support of the President's fiscal year (FY) 2019 budget request.

The FTC's FY 2019 budget requests a program level of \$309,700,000 and 1,140 full-time equivalent (FTE) positions. As the justification materials describe, this budget will permit the FTC to continue to meet the ongoing challenges of its mission to protect consumers and promote competition. Please note the FY 2018 budget levels provided in the following exhibits reflect the level at which the FTC was operating under the CR (\$310,874,417).

This budget justification includes the FTC's Annual Performance Plan and Report. The performance data presented here is a reliable and complete assessment for the year. More information can be found in the *Verification and Validation of Performance Data* section and the *Data Quality Appendix* located at <https://www.ftc.gov/reports/2014-2018-performance-data-quality-appendix-0>.

By direction of the Commission.

Sincerely,

A handwritten signature in black ink that reads "Maureen K. Ohlhausen".

Maureen K. Ohlhausen
Acting Chairman

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BUDGET REQUEST



Budget Request Summary

(\$ in thousands)

	Fiscal Year 2018		Fiscal Year 2019		Change	
	FTE	Dollars	FTE	Dollars	FTE	Dollars
Budget by Goal:						
Protecting Consumers	612	\$171,193	612	\$171,193	---	\$0
Promoting Competition	528	139,681	528	138,507	---	-1,174
Total	1,140	\$310,874	1,140	\$309,700	---	-\$1,174

Budget by Funding Source:

Offsetting Collections						
HSR Filing Fees		\$125,000		\$125,400		\$400
Do Not Call Fees		15,000		15,000		---
Subtotal Offsetting Collections		\$140,000		\$140,400		\$400
General Fund		170,874		169,300		-1,574
Total		\$310,874		\$309,700		-\$1,174

NEEDED RESOURCES FOR FY 2019

The Federal Trade Commission (FTC or Commission) is a highly effective independent agency with a unique dual mission to protect consumers and promote competition. For more than one hundred years, the FTC has championed the interests of American consumers. The FTC is dedicated to advancing consumer interests while encouraging innovation and competition in our dynamic economy. To maintain its high level of performance in FY 2019, the FTC is requesting \$309,700,000 and 1,140 FTEs. This is an overall increase of \$3,383,000 above the FTC's FY 2018 request currently before Congress, consisting of the following:

- Increase of \$3,383,000 for expert witness needs due to increased numbers of complex investigations and litigation in both competition and consumer protection matters. For example, the services of these expert witnesses are critical to the successful investigation and litigation of merger cases, as they provide insight on proper definition of product and geographic markets, assess the likelihood of entry by new competitors, and develop models to contrast merger efficiencies with potential competitive harm.

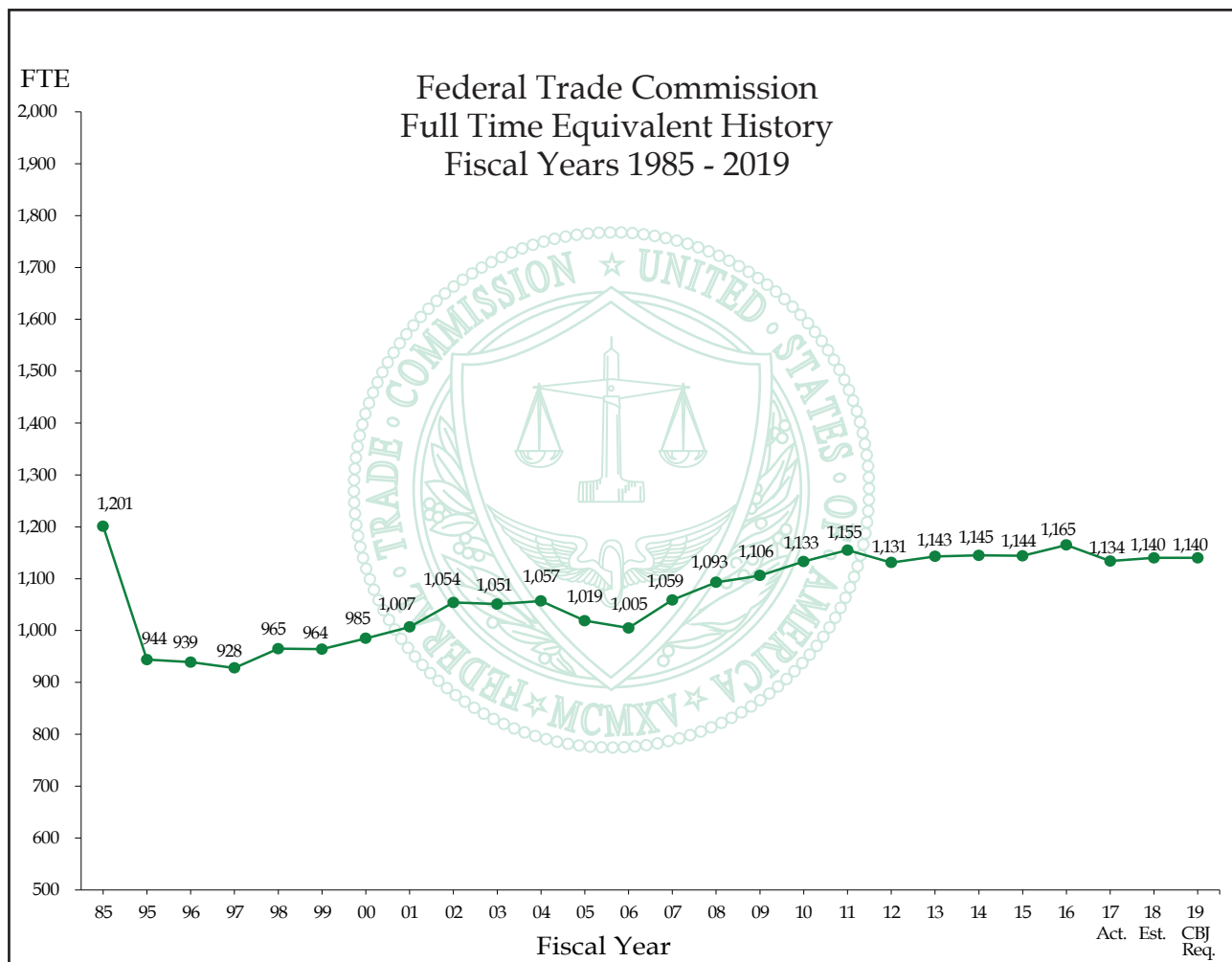
Please note the FY 2018 budget levels provided in the exhibits reflect the FTC operating level while under the CR (\$310,874,417), which is \$1,174,417 more than the FY 2019 budget request.

APPROPRIATIONS LANGUAGE PROVISIONS

Federal Deposit Insurance Corporation Improvement Act: The Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) amended the Federal Deposit Insurance Act. As originally enacted, the FDICIA imposed various statutory responsibilities on the FTC that the agency did not have the resources or expertise to perform effectively. Accordingly, since 1992, Congress, with Administration support, has prohibited the FTC from spending funds on some or all of the responsibilities assigned to it under section 151 of the Act.

The requested appropriations language for FY 2019 continues the spending restriction, reflecting legislation enacted in October 2006, which maintains an appropriately narrow role for the FTC under section 151. This role enables the FTC to continue to enforce the provisions requiring non-federally-insured depository institutions to disclose that they do not have federal insurance and that the federal government does not guarantee the depositor will get back his or her money, and retains the implementation ban with respect to "look-alike" provisions.

Other Provisions: The requested appropriations language continues in effect provisions in prior-year appropriation acts that: (1) allow for the purchase of uniforms and hire of motor vehicles; (2) allow for services as authorized by 5 U.S.C. 3109; (3) limit to \$300,000 the amount available for contracts for collection services in accordance with 31 U.S.C. 3718; (4) allow up to \$2,000 for official reception and representation expenses; (5) allow for the collection of offsetting fees; (6) allow for the gross sum appropriated to be reduced as offsetting fees are collected; and (7) allow all funding to be available until expended.



OFFSETTING FEE COLLECTIONS

This submission assumes that total offsetting collections from Hart-Scott-Rodino Act (HSR) filing fees and Do Not Call fees will provide the FTC with \$140,400,000 in FY 2019. The FTC assumes the \$169,300,000 difference between offsetting collections and the \$309,700,000 request will be funded through a direct appropriation.

HSR Premerger Filing Fees. This submission assumes offsetting HSR fee collections will provide the FTC with \$125,400,000. These fees are authorized by section 605 of Public Law 101-162, as amended effective February 1, 2001, in the FY 2001 Commerce-Justice-State Appropriations Act (Section 630, Public Law 106-553). The HSR Act requires that fees be split 50-50 between the FTC and the Antitrust Division of the Department of Justice (DOJ).

Do Not Call Fees. This submission assumes offsetting collections of \$15,000,000 from Do Not Call fees. These fees, first collected in FY 2003, will be used to maintain and enforce a national database of telephone numbers of consumers who choose not to receive telephone solicitations from telemarketers and to carry out other Telemarketing Sales Rule activities.

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FEDERAL TRADE COMMISSION

FISCAL YEAR 2019 OVERVIEW STATEMENT

HIGHLIGHTS OF FY 2017 ACCOMPLISHMENTS

Protecting Consumers

This fiscal year, the FTC emphasized four areas that reflect key challenges consumers face today: privacy and data security risks; deceptive claims in advertising and marketing; protecting consumers in the financial marketplace; and fraud targeting specific populations. In addition, the FTC continued its longstanding efforts to fight other unfair and deceptive practices. The FTC also enforced its orders against repeat offenders and referred cases to criminal authorities as appropriate.

In FY 2017, the FTC filed 54 new complaints in federal district court and obtained 104 permanent injunctions and orders requiring defendants to pay more than \$16.5 billion in consumer redress or disgorgement of ill-gotten gains. Defendants also were required to pay approximately \$18.5 million under four civil contempt orders. In addition, cases referred to DOJ resulted in 19 court judgments imposing civil penalties of approximately \$174.6 million. Furthermore, the FTC issued 21 new administrative complaints and entered 15 final administrative orders.

In FY 2017, the Commission also issued 10 reports and released 11 new consumer and business education publications. In December 2017, the FTC issued the agency's first Office of Claims and Refunds Annual Report.

Among the FTC's most significant cases in FY 2017:

- The Western Union Company (Western Union), a global money services business headquartered in Englewood, Colorado, agreed to pay \$586 million to settle FTC and Department of Justice charges that the company allowed scammers to use its money transfer system to collect money from their victims. The FTC alleged that the company's failures, including not taking effective action against complicit agents, resulted in hundreds of millions in fraudulent transfers since 2004. As part of this global settlement, the FTC also required Western Union to implement an effective anti-fraud program. The Department of Justice and the FTC will use the \$586 million payment to provide redress to defrauded consumers.
- In a historic decision, an Illinois federal court ordered Dish Network to pay \$280 million in civil penalties and to stop alleged violations of the FTC's Telemarketing Sales Rule and other federal and state laws. The Department of Justice filed charges on behalf of the FTC and four states against the satellite TV provider. Dish allegedly made millions of illegal calls, including to numbers on the Do Not Call Registry, and used unscrupulous tactics to generate programming sales. The court

also ordered Dish to ensure its marketing practices comply with the law. The civil penalties include a record-setting \$168 million to the federal government, with the remainder going to the states.

- Volkswagen Group of America agreed to fully compensate consumers who purchased 3.0-liter TDI diesel vehicles through a combination of repairs, additional monetary compensation, and buybacks for certain models. Consumers will receive up to \$1.2 billion in compensation for Volkswagen's allegedly misleading "clean diesel" claims, added to the more than \$10 billion redress fund already created for 2.0 liter consumers. In all, consumers who bought affected "clean diesel" vehicles will receive up to \$11.5 billion, and the court may hold Volkswagen in contempt if it makes deceptive environmental claims in the future.

Protecting Privacy and Data Security

- **Unfair and Deceptive Privacy and Data Security Practices:** The FTC extended its vigorous enforcement efforts to protect consumer privacy and data security, announcing 10 privacy cases and 4 data security cases. The operators of the Toronto-based AshleyMadison.com dating site agreed to settle FTC and state charges that they deceived consumers and failed to protect 36 million users' account and profile information in relation to a massive July 2015 data breach of their network. The site has members from over 46 countries. The settlement requires the defendants to implement a comprehensive data-security program, including third-party assessments. In addition, the operators will pay a total of \$1.6 million to settle FTC and state actions. Blue Global Media, LLC, the operators of a lead generation business agreed to settle FTC charges that the company misled consumers into filling out loan applications by promising to connect consumers with "trusted lending partners", but instead sold those applications - including consumers' sensitive data - to virtually anyone willing to pay for the leads. As part of the settlement, the defendants are prohibited from misrepresenting that they can assist in providing loans on favorable rates and terms, that they will protect and secure personal information collected from consumers, and the types of businesses with which they share consumers' personal information. The settlement also includes a suspended judgment of more than \$104 million.

Uber Technologies agreed to a proposed settlement to implement a comprehensive privacy program and obtain regular, independent audits to settle FTC charges that the ride-sharing company deceived consumers by failing to monitor employee access to consumer personal information and by failing to reasonably secure sensitive consumer data stored in the cloud. In its complaint, the FTC alleged that the San Francisco-based firm failed to live up to its claims that it closely monitored employee access to consumer and driver data and that it deployed reasonable measures to secure personal information it stored on a third-party cloud provider's servers. The FTC's complaint alleges that Uber's failure to provide reasonable data security enabled a hacker to get personal information about Uber drivers, including more than 100,000 drivers' names and license numbers.

The FTC and 32 state attorneys general alleged that Lenovo, one of the world's largest computer makers, put people's login credentials, Social Security numbers, and financial information at risk when it pre-installed adware on some of its computers so it could deliver pop-up ads to consumers. [Lenovo settled charges](#) that the software it installed, VisualDiscovery, created serious security vulnerabilities in laptops it sold to people beginning in August 2014. As part of the settlement, Lenovo is prohibited from misrepresenting any features of software preloaded on laptops that will inject advertising into consumers' Internet browsing sessions or transmit sensitive consumer information to third parties. The company must also get consumers' affirmative consent before pre-installing this type of software.

- **Children's Privacy:** The FTC obtained \$650,000 in a settlement with the electronic toy manufacturer VTech and its U.S. subsidiary over allegations that the company violated U.S. children's online privacy laws by collecting personal information from children without providing direct notice and obtaining their parents' consent, and failing to take reasonable steps to secure the data it collected. The FTC and Department of Education hosted a workshop in December 2017 to examine privacy issues related to education technology. The workshop examined how the FTC's Rule implementing the Children's Online Privacy Protection Act (COPPA) applies to schools and intersects with the Family Educational Rights and Privacy Act (FERPA) administered by the Department of Education.
- **Financial Privacy and Security:** The FTC charged TaxSlayer, the operator of an online tax preparation service, with violating federal rules on financial privacy and security. As part of the settlement with the FTC, the company is prohibited from violating the Privacy Rule and the Safeguards Rule of the Gramm-Leach-Bliley Act for 20 years. The company is required for 10 years to obtain biennial third-party assessments of its compliance with these rules.
- **Revenge Porn Site:** The FTC and the state of Nevada charged the parties responsible for a revenge porn site with violating federal and state law by posting intimate images of people, together with their personal information, without their consent. The FTC and state of Nevada charged that the website, MyEx.com, is dedicated solely to revenge porn and has solicited intimate pictures and videos of victims, together with their personal information such as their name, address, employer, and social media account information. The site urged visitors to "Add Your Ex," and to "Submit Pics and Stories of Your Ex." In numerous instances, the defendants allegedly charged victims fees from \$499 to \$2,800 to remove their images and information from the site. The litigation in this case is ongoing.
- **Online Tracking by Smart TVs:** VIZIO, Inc., one of the world's largest manufacturers and sellers of internet-connected "smart" televisions, agreed to pay \$2.2 million to settle charges by the FTC and the Office of the New Jersey Attorney General that it installed software on its TVs to collect viewing data on 11 million consumer TVs without consumers' knowledge or consent. The software captured what people were watching, and VIZIO allegedly attached viewers' sex, age,

income, and other demographic information to that data to sell to third parties for targeted advertising purposes. In another action, Turn Inc., a company that enables sellers to target digital advertisements to consumers, agreed to settle FTC charges that it deceived consumers by tracking them online and through their mobile applications, even after consumers took steps to opt out of such tracking.

- **Data Collection Disclosures:** Upromise, a membership reward service aimed at consumers trying to save for college, agreed to pay a \$500,000 civil penalty to settle allegations that it violated the terms of a FTC order requiring the company to make disclosures about its data collection and use and to obtain third-party assessments of its data collection toolbar.
- **Internet of Things Challenge:** The FTC announced the winner of an Internet of Things (IoT) Home Inspector Challenge where contestants competed for a top prize of \$25,000 to develop a tool to help consumers protect the security of their IoT devices. The winning product, a mobile app, would enable users with limited technical expertise to identify devices with out-of-date software and other common security vulnerabilities and provide instructions on how to update each device's software and fix other vulnerabilities. The FTC also awarded a \$3,000 honorable mention to a team that proposed an alternative method of securing home networks from vulnerable IoT devices. Awards were provided under the America COMPETES (Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Science) Act.
- **Automated and Connected Motor Vehicles:** The FTC and the National Highway Traffic Safety Administration (NHTSA) held a workshop that brought together industry representatives, consumer advocates, academics, and government regulators to examine the consumer privacy and security issues posed by automated and connected motor vehicles.
- **Cross-Device Tracking Report:** The FTC released a detailed report that draws upon comments and discussions from a Cross-Device Tracking Workshop and describes the technology used to track consumers across multiple Internet-connected devices, the benefits and challenges associated with it, and industry efforts to address those challenges. The report makes recommendations to industry about how to apply traditional principles like transparency, choice, and security to this relatively new practice.
- **Identity Theft:** The FTC maintains the federal government's central repository for identity theft complaints. Consumers can file complaints through the agency's website or by calling a toll-free number (1-877-ID-THEFT). Trained counselors advise identity theft victims about their rights and the remedies available to them under federal law. Identity theft victims can go online to the FTC's [IdentityTheft.gov](https://www.ftc.gov/identity-theft) website and get a free, personalized identity theft recovery plan. The one-stop website is integrated with the FTC's consumer complaint system, allowing consumers who are victims of identity theft to rapidly file a complaint with the FTC and then get a personalized guide to recovery that helps streamline many of the steps involved. Victims can create user accounts, get detailed, custom recovery

plans based on their unique experiences, and create the documents they need to alert police, the nationwide consumer reporting agencies, and the IRS.

The “Planning for the Future” identity theft conference hosted by the FTC included panel discussions on how identity thieves acquire and use consumer information, how websites trade in stolen consumer information, the impact of identity theft on financial services, healthcare and other sectors, the challenges that identity theft victims face, and resources available to identity theft victims. In addition, FTC technical experts gave a presentation describing how consumer data available online is used by malicious actors.

- **Privacy Conference:** The FTC hosted its second PrivacyCon event to continue and expand collaboration among leading white hat researchers, academics, industry representatives, consumer advocates, and the government to address the privacy and security implications of emerging technologies. The event covered five major topic areas: the Internet of Things (IoT) and big data; mobile privacy; consumer privacy expectations; online behavioral advertising; and information security.
- **Blog Posts:** As part of its ongoing efforts to help businesses ensure they are taking reasonable steps to protect and secure consumer data, the FTC published a series of “Stick with Security” blog posts using hypothetical examples based on lessons from closed investigations, FTC law enforcement actions, and questions from businesses. These new posts built on the FTC’s Start with Security guide for businesses.

Stopping Deceptive Advertising and Marketing Practices

- **Free and Risk Free Trials:** A group of online marketers, including AAFE Products Corp. and BNRI Corp., agreed to pay \$2.5 million to settle FTC charges that they deceptively lured consumers with “free” and “risk-free” trials for cooking gadgets, golf equipment, and access to related online subscription services. According to the FTC, the defendants asked people for their credit card information to cover shipping and handling, and then charged them for products and services without their consent.
- **Weight-Loss Claims:** The FTC obtained a \$30 million judgment against Nicholas Scott Congleton, the pitchman behind Pure Green Coffee, for using deception to promote this diet fad, which gained notoriety on the “Dr. Oz” show. Through a variety of companies, Congleton used false weight-loss claims, bogus testimonials, and fake news websites to market the product. The judgment permanently bars Congleton from continuing these practices. In another case, a Florida-based affiliate marketing operation agreed to pay \$500,000 to settle FTC charges they used illegal spam e-mail, false weight-loss claims, and phony celebrity endorsements to market bogus weight-loss products. The court order also prohibits the defendants from the illegal advertising and marketing tactics alleged in the complaint. In a separate case, the marketers of a weight-loss system advertised as using “break-through technology” and “personalized supplements” to help consumers permanently lose “20 to 40+ pounds in 40 days” without significantly cutting calories,

have agreed to settle FTC charges that the claims were deceptive and not supported by scientific evidence. The court order bars the sellers of the “NutriMost Ultimate Fat Loss System” from making the deceptive claims alleged in the complaint, as well as providing others, including franchisees, with the means of deceiving consumers. The defendants also will pay \$2 million to provide refunds to consumers defrauded by buying the system directly from the defendants.

- **Homeopathic Drug Claims:** The FTC issued an enforcement policy statement explaining that the agency will hold efficacy and safety claims for over-the-counter homeopathic drugs to the same standard as other products making similar claims. That is, companies must have competent and reliable scientific evidence for health-related claims, including claims that a product can treat specific conditions.
- **Telemarketing Robocalls:** A federal court imposed a \$2.7 million penalty against Aaron Michael Jones for running an operation that blasted consumers with billions of illegal telemarketing robocalls. The FTC estimates that in making the illegal robocalls, Jones and the companies he controlled called numbers listed on the Do Not Call (DNC) Registry at a rate of more than 100 million per year.
- **False Environmental Marketing Claims:** The FTC charged Pittsburgh-based manufacturer Innovative Designs, Inc. with allegedly making false and unsubstantiated claims that its Insultex House Wrap would save consumers money by providing significant insulation without using much space.
- **False Online Advertisements:** At the request of the FTC, a federal court halted the operation of Credit Bureau Center LLC for allegedly luring consumers with fake rental property ads and deceptive promises of “free” credit reports.
- **Native Advertising:** After reviewing numerous Instagram posts by celebrities, athletes, and other influencers, FTC staff sent out more than 90 educational letters reminding influencers that they should clearly disclose their relationships to brands when promoting or endorsing products through social media. These letters mark the first time that FTC staff has reached out directly to educate social media influencers themselves about the FTC’s Endorsement Guides. Following up on the educational letters, the FTC sent warning letters to 21 of the influencers previously contacted. The warning letters cite specific social media posts of concern to staff and provide details on why they may not be in compliance with the FTC Act as explained in the Commission’s Endorsement Guides. The FTC also issued an updated version of The FTC’s Endorsement Guides: What People are Asking, a staff guidance document that answers frequently asked questions. Previously revised in 2015, the newly updated version includes more than 20 additional questions and answers addressing specific questions social media influencers and marketers may have about whether and how to disclose material connections in their posts.

Two major social media influencers in internet gaming settled FTC charges that they endorsed online gambling service CSGO Lotto, without disclosing their joint ownership of the company. The influencers also allegedly failed to disclose that they paid other influencers thousands of dollars to promote CSGO Lotto on

YouTube, Twitter and Facebook. The Commission order settling the charges requires the influencers to disclose any future significant relationships with endorsers as well as any connections those influencers have to the products and services they promote.

Protecting Consumers in the Financial Marketplace

- **Deceptive Mortgage and Debt Relief Services:** The settlement order with debt relief company United Debt Counselors, LLC, and its principals, who allegedly misled consumers and charged illegal advance fees, imposed a \$9 million judgment that represents the amount of alleged harm to consumers and will be partially suspended upon payment of \$510,000. In a separate action, the FTC and the State of Florida took action against Jeremy Lee Marcus, Craig Davis Smith, and Yisbet Segrea, the operators of a massive phony debt relief operation that allegedly bilked tens of millions of dollars from financially strapped consumers, including the elderly and disabled. In another case, a federal court found that Jeremy Foti and Charles Marshall, acting through Brookstone Law and Advantis Law, “made numerous false and/or misleading material statements to consumers” when selling legal services for purported mortgage relief. The court issued a default judgment requiring Foti to pay over \$18 million and Marshall to pay \$1.8 million.
- **Student Loan Debt Relief:** The FTC, along with 11 states and the District of Columbia, announced “Operation Game of Loans,” the first coordinated federal-state law enforcement initiative targeting deceptive student loan debt relief scams. This nationwide crackdown encompasses 36 actions by the FTC and state attorneys general against scammers alleged to have used deception and false promises of relief to take more than \$95 million in illegal upfront fees from American consumers over a number of years. Operation Game of Loans includes seven FTC actions: five new cases, one new judgment in favor of the FTC, and a preliminary injunction entered in a case filed earlier this year. The agency alleges that the defendants in these actions charged consumers illegal upfront fees, falsely promised to help reduce or forgive student loan debt burdens, and pretended to be affiliated with the government or loan servicers, in violation of the FTC’s Telemarketing Sales Rule and the FTC Act.
- **Deceptive and Abusive Debt Collection Practices:** A federal court granted the FTC’s request for a summary judgment and ordered a group of debt collectors who pretended to be affiliated with the government, including Federal Check Processing, Inc., to pay nearly \$11 million and banned the group from the debt collection business. In a separate case, the FTC charged Joel Tucker, SQ Capital LLC, JT Holdings Inc., and HPD LLC with selling portfolios of fake payday loan debts that debt collectors used to get people to pay on debts they did not owe. The FTC previously brought actions against two collectors that used Joel Tucker’s fake loan portfolios: Delaware Solutions, where the defendants were banned from the debt collection business in a settlement with the FTC and the New York Attorney General’s office, and Stark Law LLC. In another case, GC Services agreed to pay a

\$700,000 civil penalty to settle charges the debt collector used unlawful tactics to collect federal student loans and other debts. Separately, at the request of the FTC, a federal court ordered Timothy L. Ford, the president of Commercial Recovery Systems Inc. to pay a \$2 million civil penalty for violating the Fair Debt Collection Practices Act by falsely threatening debtors. In another action, the FTC charged ACDI Group LLC, a North Carolina debt collection operation, with taking money from consumers for fake debts they did not owe. The action is part of the FTC's crackdown on "phantom" debt collection. Separately, the FTC charged debt collection operation Hardco Holding Group LLC with taking people's money for fake debts they did not owe by posing as lawyers and falsely threatening to sue or have them arrested if they did not pay. The FTC also charged Lombardo, Daniels & Moss, a North Carolina debt collection operation, with using intimidation and deception to take money from consumers for debts they did not owe, or that the defendants had no right to collect.

- **Pyramid Scheme:** Under a settlement with the FTC, Arizona-based Vemma Nutrition Company will end the business practices that the FTC alleged created a pyramid scheme. The multi-level marketing company, which sells health and wellness drinks through a network of distributors called "affiliates," is prohibited under a federal court order from paying an affiliate unless a majority of that affiliate's revenue comes from sales to real customers rather than other distributors. Under separate orders, Vemma and Vemma affiliate Tom Alkazin and his wife, Bethany Alkazin, are required to pay \$1.7 million and surrender certain real estate and business assets.
- **Timeshare Reselling Scheme:** The FTC charged the operators of a timeshare reselling scheme, J. William Enterprises, LLC, with bilking at least \$15 million dollars from timeshare property owners by imposing hefty up-front fees based on false promises that they would sell or rent their properties.
- **FinTech Forum Series:** The FTC hosted two additional forums exploring crowd funding and peer-to-peer payments, and artificial intelligence and block chain technology. The forums are part of a series of FTC events examining consumer protection across different areas of emerging financial technology. As technological advances expand the ways consumers can store, share, spend, and borrow money, the FTC is working to keep consumers protected while encouraging innovation for consumers' benefit.

Protecting Every Community

- **Scams Targeting Veterans:** In partnership with DoD, the Consumer Financial Protection Bureau, Military Saves, and several other partners, the FTC created the Military Consumer Toolkit. The kit gives servicemembers and their families short, mobile-friendly tips to help make sound financial decisions.
- **Protecting Military Consumers:** The FTC hosted a workshop in San Antonio, Texas to examine financial issues and scams that can affect military consumers, including active duty servicemembers in all branches and veterans. The work-

shop also discussed FTC resources available to military consumer advocates and representatives on financial readiness and fraud prevention, including the FTC's Military Consumer Toolkit, available at [Military.Consumer.gov](https://www.ftc.gov/military-consumer). The FTC, state, and local authorities convened a second conference in Los Angeles to help educate military consumers and train military attorneys, law enforcement personnel, and consumer protection officials to address consumer fraud and other issues that affect servicemembers and their families. The Protecting Military Consumers: A Common Ground Conference discussed current and emerging issues affecting servicemembers and their families including student loans and for-profit colleges, identity theft, imposter scams, debt collections, mortgage disputes and real estate fraud. The FTC launched [ftc.gov/militarytaskforce](https://www.ftc.gov/militarytaskforce), a [new web page](#) highlighting the work of the agency's new Military Task Force, which is aimed at identifying the needs of military consumers and developing initiatives to empower servicemembers, veterans, and their families, including through law enforcement actions.

- **Scams Targeting Small Businesses and Nonprofit Organizations:** The FTC obtained court orders against the Lighting X-Change Company, LLC, a Maryland-based office supply operation charged with tricking small businesses, non-profit organizations, and other consumers into paying for overpriced office and cleaning supplies they never ordered. The orders ban the company and its principals from telemarketing office and cleaning supplies. Subject to a partially suspended judgment of more than \$6.2 million, Benjamin Cox and a company he used to remove funds from the telemarketing enterprise, TBC Companies Inc., will pay \$720,000 as part of their settlement. In a separate case, Telestar Consulting agreed to pay \$7 million to settle FTC charges that it tricked child care centers, schools, and police and fire departments into paying for products they never ordered.

The FTC launched [ftc.gov/SmallBusiness](https://www.ftc.gov/SmallBusiness), a new website with articles, videos, and other information aimed at helping small business owners avoid scams and protect their computers and networks from cyberattacks and other threats. The FTC has also launched the Engage, Connect, and Protect initiative, hosting small business owners in a series of public roundtables across the United States to discuss the most pressing challenges small businesses face in protecting the security of their computers and networks. The roundtables bring together FTC staff along with the Small Business Association (SBA) and other federal partners, industry associations, and the small business community. The comments and feedback generated by the roundtables will be used to help the FTC and its partners provide additional education and guidance for small business owners on cybersecurity issues.

- **Scams Targeting Spanish-Speaking Consumers:** A federal court resolved the FTC's charges against ABC Hispana Inc. by issuing a default judgment of more than \$6.3 million. The order also bans the defendants from telemarketing, and prohibits them from misrepresenting material facts in connection with the sale of any good or service. The FTC alleged that ABC Hispana Inc. used deceptive and abusive tactics to sell products for learning English to Spanish-speaking consumers

throughout the United States. According to the FTC's complaint, the defendants sold booklets, CDs, DVDs, tablets and a Spanish-English dictionary, and threatened to sue, arrest, or jail consumers, or seize their homes, if they did not pay.

The FTC hosted a roundtable in Chicago that brought together leaders of Chicago-area Latino organizations to discuss consumer fraud and its disproportionate impact on Latino communities.

Fighting Other Fraud

- **Tech Support Scams:** The FTC, along with federal, state, and international law enforcement partners, announced "Operation Tech Trap," a nationwide and international crackdown on tech support scams that trick consumers into believing their computers are infected with viruses and malware, and then charge them hundreds of dollars for unnecessary repairs. As part of this coordinated effort, the FTC and its partners announced 16 new actions against deceptive tech support operations, including complaints, settlements, indictments, and guilty pleas.

As part of Operation Tech Trap, the FTC, the State of Connecticut, and the Commonwealth of Pennsylvania announced settlements against two massive tech support operations that they had previously sued for bilking consumers out of millions of dollars. Under the settlements with the Click4Support operation, the defendants are banned from marketing technical support services and agreed to pay a total of more than \$554,000 and to forfeit \$1.3 million held by the court-appointed receiver. The court also entered a default judgment of more than \$27 million against defendant iSource USA LLC. In another case, the FTC and the State of Florida announced settlements with Help Desk National, the operators of a tech support scam operating from a boiler room in Boynton Beach, Florida, that they had sued in June 2016. As part of the settlement, the defendants are banned from providing tech support products or services and prohibited from deceptive telemarketing practices. The defendants also agreed to turn over \$700,000 in assets to the FTC.

In a separate case, the FTC and State of Florida obtained a settlement with Inbound Call Experts, a Florida-based tech support scheme, to resolve allegations that they used aggressive tactics to sell tech support products and services. The defendants agreed to pay \$10 million for consumer redress to settle the action. In another case, the Global Access Technical Support defendants agreed to turn over assets valued at more than \$1 million to the FTC for using deceptive Internet pop-up ads to trick consumers into buying unnecessary technical support services. The settlements also ban the defendants from marketing or promoting any technical support products or services in the future and from misrepresenting any product or service.

- **Business Opportunity Scams:** Advertising Strategies, LLC, the operators of a telemarketing scheme charged with bilking millions of dollars from consumers, many of whom were seniors or military veterans on a fixed income, agreed to pay approximately \$7.5 million in consumer redress and to a ban from telemarket-

ing and selling investment opportunities. In a separate case, the FTC charged the Phoenix-based operation, Max Results Marketing/Blue Saguaro Marketing, with bilking money from seniors, veterans, and debt-laden consumers by selling them a worthless money-making opportunity purportedly linked to Amazon.com, and luring them with a phony grants program. In another action, the Thrive Learning, LLC and Lift International, LLC defendants agreed to settle FTC charges that the deceptive telemarketing operation took millions of dollars from thousands of consumers who were trying to start home-based Internet businesses. The defendants agreed to be banned from selling business coaching services and work-at-home opportunities. The orders require payments totaling \$1.9 million, in addition to the surrender of other assets. Additionally, the FTC halted Bob Robinson, LLC, a deceptive work-at-home scheme that allegedly lured consumers into buying an online system by falsely promising that they would earn thousands of dollars in their spare time working from home.

The FTC charged Electronic Payment Solutions of America with laundering millions of dollars in credit card charges through fraudulent merchant accounts. According to the FTC, the defendants arranged for a deceptive operation known as Money Now Funding to obtain and maintain merchant accounts that allowed it to process almost \$6 million through the credit card networks. This comes two years after the FTC shut down Money Now Funding, which baited people into buying phony small business opportunities.

- **Electronics Buyback Scheme:** A federal court imposed a \$42 million judgment against the owner of Laptop & Desktop Repair, LLC, an electronics buyback company that misled consumers about the amount of money it would pay them for selling their used smartphones, tablets and other devices.
- **Investment Schemes:** For the first time, the FTC obtained a court order requiring the sale of a defendant's Florida home to pay a fraud judgment. Sam J. Goldman surrendered his home to a court-appointed receiver who will sell it and pay the Commission \$428,604.95, which the FTC traced directly from the fraud. The order follows court settlements reached in 2012, in which Goldman and other defendants in the American Precious Metals scheme agreed to pay more than \$24.3 million to resolve FTC charges that they lured investors without disclosing significant costs and risks, including the likelihood that they would have to pay more money or lose their investment.
- **Invention Promotion Scheme:** The FTC charged World Patent Marketing, the operator of an invention-promotion scheme, with deceiving consumers and suppressing truthful complaints about the company by making threats of criminal prosecution against dissatisfied customers.
- **Unauthorized Billing:** The remaining American eVoice, Ltd. defendants agreed to settle FTC charges that they placed more than \$70 million in authorized charges on consumers' phone bills. Under the terms of the settlements, the defendants are permanently banned from all landline and mobile telephone billing. As part of the settlement, defendant Steven Sann will forfeit more than \$500,000 in ill-gotten

funds that he used to fund his IRAs, and he will also surrender an Infiniti Q56 and a Nissan 350Z. In another case, the FTC charged Anasazi Management Partners, an online marketing operation, with deceptively luring people into an expensive negative option scam using an initial low-cost (\$1.03, plus shipping and handling) “trial” offer for tooth whiteners and other products. The FTC alleged that, using deceptive claims, hidden fine-print disclosures, and confusing terms, the defendants tricked consumers into providing their billing information, and then started charging them about \$100 a month unless consumers canceled within 8 days. They allegedly also used an order confirmation page to trick consumers into signing up for a second monthly subscription, which cost an additional \$100, for an identical product. Because of this double-deception, the defendants charged consumers, who reasonably believed they had agreed to a single shipment for \$1.03 plus shipping costs, about \$200 a month until they canceled both unauthorized subscriptions. In a separate case, the FTC sued the operators of several online discount clubs for allegedly using remotely created checks to take tens of millions of dollars from consumers’ bank accounts without their authorization. According to the FTC, the defendants ran websites and made telemarketing calls offering payday and cash advance loans to subprime consumers. But when consumers provided their bank account information to apply for loans, the defendants allegedly signed them up for online discount clubs and charged consumers initial and recurring monthly fees.

- **Online Billing Scheme:** Following a trial, a federal court found Terrason Spinks and his company, Jet Processing Inc., liable for more than \$280 million in consumer harm caused by the IWorks scheme, which charged consumers for monthly memberships they never signed up for after luring consumers into trial memberships for bogus government grant and money-making schemes. The order also bans Spinks and Jet Processing from selling grant and money-making products. The court found that Spinks participated in creating IWorks’ money-making product, and that he and Jet Processing obtained merchant accounts that allowed IWorks to continue bilking consumers when payment processors were closing IWorks accounts because of high chargeback rates – reversals of charges to consumers’ credit cards.

Order Enforcement and Criminal Referrals

The FTC continues to place a priority on aggressively enforcing its orders against repeat offenders and refers matters to criminal authorities as appropriate.

- **Contempt Cases:** Damian Kutzner, one of the operators of a mortgage relief scheme that allegedly bilked millions of dollars from financially distressed homeowners, agreed to a court order banning him from the debt relief business. The FTC also had filed contempt charges against Kutzner, alleging that his role in the mortgage relief scheme also violated a 2003 FTC court order against him. This most recent order also imposes a judgment of more than \$18.3 million, representing the amount of harm consumers suffered as a result of the scheme.

- **Criminal Referrals:** The FTC continues to refer egregious violators to criminal law enforcement agencies for prosecution. In FY 2017, prosecutors relied on FTC information and support to charge 95 new defendants. Prosecutors also obtained 41 new pleas or convictions, and 35 defendants received sentences totaling 137 years. Eleven defendants were sentenced to five years or more, including Jeremy Nelson, a defendant in the FTC’s Nelson Gamble & Associates case, who is now serving a sentence of more than seven years for his role in a scam that misrepresented debt relief services to consumers and charged them undisclosed up-front fees.

Economic Research and Outreach

In addition to conducting analysis on the economic effects of consumer protection enforcement actions, the FTC conducts research and outreach in the economics of consumer protection more generally. As part of its work to ensure that its analyses are consistent with best practices and current research, the FTC hosted a workshop on Informational Injury in December of 2017. The workshop highlighted emerging issues in understanding and quantifying privacy and data security related harm to consumers. In November 2017, the Commission hosted its Tenth Annual Microeconomics Conference, convening researchers, regulators, and others to discuss antitrust and consumer protection policy issues that FTC economists encounter in their work. This conference included discussion of emerging issues in privacy and data security.

International Consumer Protection

Strong cross-border cooperation is key to effective law enforcement. In FY 2017, the FTC’s Office of International Affairs (OIA) assisted with numerous consumer protection investigations, litigation, and enforcement-related projects. OIA also continued to develop strong bilateral relationships with foreign consumer, privacy, and law enforcement authorities around the globe and represented the agency in international organizations and enforcement networks on a range of complex global consumer policy and enforcement issues, including spam, spyware, Internet and telemarketing fraud, identity theft, data security, and privacy.

- The FTC cooperated with a wide range of foreign agencies and multilateral organizations on 50 enforcement-related investigations, cases, and projects. One highlight was the FTC’s successful collaboration with the Office of the Privacy Commissioner of Canada and the Australian Information Commissioner in investigating a massive data breach and other deceptive practices of the Toronto-based adult dating website, AshleyMadison.com. The website had members from more than 46 countries. The operators of the website settled FTC and state charges that they deceived consumers and failed to protect 36 million users’ account and profile information. The Australian and Canadian agencies contributed to the FTC’s investigation and reached their own settlements with the company. To facilitate cooperation, the FTC relied on key provisions of the U.S. SAFE WEB Act that allow the FTC to share information with foreign counterparts to combat deceptive and unfair practices that cross national borders. The International Conference of Data Protection and Privacy Commissioners (ICDPPC), the premier global forum

for privacy authorities, jointly awarded the FTC and the privacy authorities of Australia and Canada its “Grand Award for Innovation” this year.

- The FTC entered into a memorandum of understanding to facilitate information sharing and enforcement cooperation with the Royal Canadian Mounted Police on cross-border fraud. The MOU recognizes the long-standing partnership between the two agencies, which have worked together on joint cases, shared consumer complaints, and provided assistance with foreign asset recovery. The FTC also continued to cooperate with other longstanding Canadian law enforcement partners on cross-border telemarketing and other scams that target American consumers.
- The FTC is continuing to combat cross-border harms emanating from jurisdictions such as India, which has been a source of government imposter scams and tech support scams, among other fraudulent telemarketing activity. In addition to filing and coordinating enforcement actions in U.S. courts such as Operation Tech Trap, the FTC has been building the capacity of Indian law enforcement to investigate, arrest, and prosecute the promoters of these scams located in India. Following a four-city training in India last year, in FY 2017, the FTC, along with DOJ and FBI, met with Indian law enforcement and government officials to further develop cooperation and training activities. The FTC also organized a round-table, in partnership with the US-India Business Council, with representatives from the Indian telemarketing industry, global technology companies, and officials from the Indian Embassy. The FTC has also worked closely with foreign law enforcers from Australia, Canada, and the U.K. to plan future law enforcement initiatives and to develop business outreach and consumer education.
- The FTC, together with consumer protection agencies in 60 other countries that are part of the International Consumer Protection and Enforcement Network (ICPEN) (a network of consumer protection authorities addressing cross border consumer issues), unveiled an updated version of ICPEN’s website at www.icpen.org to help members identify and respond to consumer challenges that cross international borders. The updated website provides new tools for members to share intelligence securely on emerging fraudulent, deceptive and unfair commercial practices. The FTC also led an initiative to strengthen econsumer.gov, a partnership of more than 35 ICPEN members that allows law enforcement authorities to share complaints and intelligence and provides ways for consumers to report fraud and get help.
- In the policy arena, the FTC took a leading role in implementing the 2016 OECD Guidelines on Consumer Protection in Electronic Commerce, which address new developments in e-commerce, including mobile applications, digital content, and peer platform marketplaces as well as the revised United Nations Guidelines on Consumer Protection, which include provisions on e-commerce, consumer financial services, dispute resolution and redress, and international cooperation. FTC staff has also actively engaged in consumer protection issues related to the

Internet Corporation for Assigned Names and Numbers (ICANN), the organization that deals with Internet domain names.

- The FTC also continued to advocate for global interoperability and strong enforcement of data privacy laws through collaboration with the Department of Commerce on three key cross-border data transfer mechanisms, the European Union-United States (EU-U.S.) Privacy Shield, the Swiss-U.S. Privacy Shield, and the Asia-Pacific Economic Cooperation (APEC) Cross-Border Privacy Rules (CPBR) System. The EU-U.S. Privacy Shield framework, and its Swiss counterpart, provide legal mechanisms for companies to transfer personal consumer data from the European Union and from Switzerland to the United States with strong privacy protections. The APEC CBPR system is a voluntary, enforceable code of conduct designed to enhance the privacy and security of consumers' personal information transferred among the United States and other APEC members. In September 2017, the FTC, with the Department of Commerce, conducted a successful first annual review of the EU-U.S. Privacy Shield data transfer mechanism with our European counterparts. Carrying out its enforcement role under these international frameworks, the FTC brought a number of cases in FY 2017:
 - » In its first Privacy Shield actions since the framework came into effect in 2016, the FTC charged three companies with misleading consumers about their participation in program. According to the FTC, printing services company [Tru Communication](#), human resources software company [Decusoft](#), and [MdZ](#), which manages real estate leases for wireless companies, violated the FTC Act by falsely claiming that they were certified to participate in the EU-U.S. Privacy Shield. The FTC also alleged that Decusoft falsely claimed participation in the Swiss-U.S. Privacy Shield framework. Despite these claims, all three companies failed to complete the certification process for the Privacy Shield, according to the FTC. All three companies reached settlements with the FTC.
 - » The FTC approved final orders with three companies resolving allegations that they deceived consumers by misrepresenting their participation in the APEC CBPR system. In separate complaints, the FTC charged that Sentinel Labs, which provides endpoint protection software to enterprise customers, SpyChatter, the marketer of a private message app, and Vir2us, which distributes cyber security software, falsely represented in their online privacy policies that they participated in the APEC CBPR system. Sentinel Labs also falsely claimed that it was a participant in a TRUSTe privacy program, according to the FTC.

During FY 2017, the FTC conducted 12 technical assistance missions for developing consumer protection and privacy, supported by a mix of funding sources, including in-kind donations from the recipient agencies. The FTC's programming included regional trainings organized with international and regional organizations such as UNCTAD and ASEAN and agencies in Argentina, Chile, Colombia, Costa Rica, India, Laos, Pakistan, Panama, and Taiwan. These missions provided foreign regulators and law enforcers

with information on the FTC's approach to emerging digital consumer protection issues, as well as practical investigational skills and tools for cross-border cooperation.

As part of the FTC's International Fellows program, which provides foreign officials with a first-hand appreciation of FTC practices and approaches, the FTC received International Fellows from the Ukraine, Pakistan, and South Africa to work directly with agency staff on consumer protection and privacy matters.

Law Enforcement Tools

- **Consumer Response Center (CRC):** During FY 2017, the CRC handled more than 40,000 inquiries and complaints from consumers and businesses each week, for a total of 2.1 million complaints and inquiries.
- **Consumer Sentinel Network (CSN):** During FY 2017, 9.7 million fraud, identity theft, financial, and Do Not Call complaints were added to the FTC's CSN database. Approximately 2,400 law enforcement partner agencies worldwide have access to CSN.
- **National Do Not Call Registry:** The Registry has continued to protect consumers from receiving unwanted commercial telemarketing calls. During FY 2017, the number of telephone numbers on the Registry exceeded 229 million.

Advocacy Tools

The FTC files comments with federal and state government bodies to advocate policies that promote the interests of consumers and highlight the role of consumer and empirical research in their decision-making. For example, the FTC staff provided comments to a working group convened by the U.S. Commerce Department's National Telecommunications and Information Administration that is developing guidance about ways for Internet of Things device manufacturers to better inform consumers about security updates related to the devices.

Promoting Competition

The FTC actively enforces the antitrust laws in a range of sectors of critical importance to American consumers, including healthcare, technology, energy, consumer goods and services, and manufacturing. In fiscal year 2017, the agency brought 32 new competition law enforcement actions (23 merger enforcement actions and nine anticompetitive conduct challenges), hosted several important workshops, published reports, and pursued advocacy opportunities to promote competition and educate stakeholders about its benefits. The FTC also continued to actively monitor and enforce compliance with consent orders as well as with merger and acquisition reporting obligations under the Hart-Scott-Rodino (HSR) Act, receiving notice of over 2,000 acquisitions, and bringing three civil penalty actions totaling more than \$1.6 million against firms who failed to meet their HSR filing obligations.

Healthcare and Pharmaceuticals

The healthcare and pharmaceutical sectors were again a priority area for competition enforcement. In general, the FTC works to promote competition in healthcare by eliminating impediments to entry by generic drug producers, stopping illegal conduct by providers of healthcare products and services, and preventing anticompetitive healthcare mergers.

- **Healthcare Mergers:** The FTC continued to vigorously challenge anticompetitive acquisitions involving healthcare facilities, and when necessary, goes to court to stop mergers that are likely to result in higher costs or reduced quality of care. This year, the FTC brought a federal court injunction action challenging a proposed physician group merger in North Dakota. In *FTC v. Sanford Health*, the Commission charged that Sanford Health's proposed acquisition of a rival physician group would reduce competition in the market for the provision of adult primary care physician services, pediatric services, and obstetrics and gynecology services in the Mandan region of North Dakota. In December 2017, the federal court for the District of North Dakota granted the FTC's request for preliminary injunction pending a full administrative hearing on the merits before the FTC's administrative law judge.

The Commission also successfully blocked two hospital mergers, one in the Harrisburg, PA area and the other in the suburban North Shore area of Chicago. In both Pinnacle Health/Penn State Hershey and Advocate/North Shore, the parties abandoned their transactions after appellate victories before the 3rd and 7th Circuit Courts of Appeal respectively.

In another matter, the FTC issued a consent order requiring Davita, Inc., the second largest provider of outpatient dialysis services, to divest its ownership interest in seven dialysis clinics – five in New Jersey and two in suburban Dallas, Texas – to resolve charges that its \$358 million acquisition of competitor Renal Ventures Management, would be anticompetitive. According to the Commission's complaint, the deal would have significantly increased market concentration for outpatient dialysis services in the affected markets, reducing the number of providers from three to two or creating monopolies, and thus reducing incentives to improve service or quality or reduce prices.

The Commission also took action to maintain competition for physician services in St. Cloud, MN. In October 2016, the FTC issued a consent order requiring CentraCare Health to release some of its physicians from "non-compete" contract clauses, allowing them to start new or join existing competing practices in order to mitigate the anticompetitive effects of its proposed merger with St. Cloud Medical Group. According to the Commission's complaint, the planned acquisition would have combined the two largest providers of adult primary care, pediatric, and OB/GYN services in the St. Cloud area, increasing CentraCare's bargaining power with commercial health plans, allowing it to potential raise reimbursement rates. The order also preserves competition that would have been lost absent consum-

mation through the potential bankruptcy of the St. Cloud medical group, which itself would have reduced competition for these important physician services.

In addition, in FY 2017 the Commission was able to prevent three anticompetitive healthcare provider mergers when the parties abandoned their plans in the face of antitrust scrutiny raised by the Commission.

- **Pharmaceutical Pay-for-Delay Settlements:** The FTC continued to engage in vigorous antitrust enforcement to combat anticompetitive “pay-for-delay” tactics, in which a brand name drug company pays a generic drug company to delay its entry into the market. The Commission continued to prosecute its federal district court challenge to an agreement between Solvay Pharmaceuticals and two generic drug manufacturers in which Solvay paid for the delayed release of generic equivalents to its testosterone replacement drug, Androgel. This lawsuit was filed in 2009 and was remanded in 2012 by the Supreme Court to the district court for further proceedings.

In March 2016, the Commission authorized staff to file a motion for permanent injunction blocking brand-name pharmaceutical manufacturer Endo Pharmaceuticals Inc. from entering into agreements with generic drug companies seeking FDA approval of competing generic versions of Endo’s products. In January 2017, Endo agreed to settle the charges and staff refiled charges against generic firms Impax Laboratories and Watson Laboratories for agreeing to delay generic entry for brand name pain medications Opana ER and Lidoderm, respectively, in exchange for Endo’s commitment not to market an authorized generic – often called a no-AG commitment. The FTC filed its challenge to the Lidoderm agreements against Watson in federal court in California, and filed charges against Impax related to the Opana ER agreement in an administrative proceeding. At the same time, the FTC filed a proposed stipulated order against Endo settling all charges and prohibiting Endo from entering similar agreements for 10 years. These two litigations are still pending.

In November 2016, the Commission filed an amicus brief in *Amphastar Pharmaceuticals, Inc. v. Momenta Pharmaceuticals, Inc.*, urging the First Circuit Court of Appeals to reverse the district court’s dismissal of plaintiff’s complaint, advancing the argument that the lower court erroneously applied the Noerr-Pennington doctrine by failing to identify any direct petitioning of a government entity. The brief further argued that even if petitioning were identified, the lower court should have considered whether the plaintiffs’ allegations violated Noerr protections.

- **Healthcare and Pharmaceutical Monopolization:** In February 2017, the Commission issued a complaint in federal district court alleging that Shire ViroPharma Inc. abused government processes to delay generic competition to its branded prescription drug, Vancocin HCl capsules. According to the complaint, ViroPharma knowingly submitted 43 filings and 3 lawsuits in order to prevent the FDA from approving any generic applications and thus delay the arrival of

generic competition which would have lowered prices. This permanent injunction proceeding is still pending in federal court.

In January 2017, the Commission filed a stipulated injunction in federal court in which Malinckrodt ARD Inc., formerly Questcor Pharmaceuticals, Inc., agreed to pay \$100 million to settle FTC charges that they violated the antitrust laws by purchasing the rights to develop Synacthen Depot, a drug that threatened the firm's monopoly in the U.S. market for adrenocorticotrophic hormone (ACTH) drugs, which is used to treat infantile spasms, a rare seizure disorder afflicting infants. According to the complaint, the acquisition stifled competition by preventing any other company from using the Synacthen assets to develop a synthetic ACTH drug, preserving Questcor's monopoly and allowing it to maintain extremely high prices for Acthar.

The Commission also continues to prosecute its federal court complaint alleging that AbbVie Inc. and its partner Besins Healthcare filed baseless "sham" patent infringement lawsuits against potential competitors to maintain its monopoly and delay entry of lower-priced generic versions of the testosterone replacement drug AndroGel. The Commission is seeking a court order permanently barring the parties from engaging in similar anticompetitive behavior and requiring disgorgement of ill-gotten gains. This lawsuit was filed in September 2014 and remains ongoing.

In January 2017, the Commission issued a consent order settling charges that OFTACOOOP, a Puerto Rico ophthalmologist cooperative, orchestrated an illegal refusal-to-deal scheme amongst its members to prevent health plan MCS Advantage, Inc. from engaging its network administrator to establish a lower-cost network of ophthalmologists. According to the complaint, OFTACOOOP restrained competition without justification to the detriment of consumers. Under the terms of the order, OFTACOOOP is prohibited from entering into or facilitating agreements between or among ophthalmologists to refuse or threaten to refuse to deal with any payor, or not to deal individually with any payor other than through OFTACOOOP.

- **Pharmaceutical and Medical Device Mergers:** During FY 2017, the FTC reviewed numerous proposed and consummated acquisitions in the pharmaceutical and medical device industries and took action to preserve competition that otherwise would have been lost due to these transactions. For example, in November 2016, the FTC issued a consent order requiring Valeant Pharmaceuticals International, parent company of Bausch + Lomb, to divest Paragon Holding I, Inc. and Pelican Products LLC to settle charges that its May 2015 acquisition of the Paragon violated the antitrust laws. Prior to the acquisition, both Valeant and Paragon competed for the sale of FDA-approved polymer discs used to make three types of rigid gas permeable contact lenses: orthokeratology lenses, large diameter scleral lenses, and general vision corrective lenses. According to the complaint, the acquisition eliminated competition between the two firms, resulting in a combined entity controlling more than 70 percent of the U.S. markets for these products.

In another pharmaceutical matter, in July 2017, the Commission issued a consent order to settle charges that Baxter International Inc.'s proposed acquisition of Claris Lifesciences Limited was likely to reduce competition for two injectable pharmaceutical products. Under the order, Baxter agreed to divest assets related to its antifungal drug fluconazole as well as its intravenous milrinone business, used to dilate blood vessels to lower blood pressure.

In another matter, Abbott Laboratories agreed to divest two medical device businesses to settle FTC charges that its acquisition of St. Jude Medical, Inc. would be anticompetitive. The Commission's consent order required Abbott to divest to Tokyo-based Terumo Corporation, all rights and assets related to St. Jude's vascular closure device business, including products used to close catheter-related holes in arteries, and Abbott's steerable sheath business, which markets devices used to guide catheters in the treatment of heart arrhythmias. In a second matter involving Abbott Laboratories, the FTC issued a consent order requiring the divestiture of two point-of-care medical device products as a condition on Abbott's proposed \$8.3 billion merger with Alere, Inc. The Commission complaint alleged that the merger would have resulted in increased concentration in the markets for point-of-care blood gas and cardiac marker testing systems.

In another medical device matter, Integra LifeSciences and Johnson & Johnson agreed to divest five neurosurgical medical device products to settle charges that their proposed merger would restrain competition in the markets for: intracranial pressure monitoring systems, cerebrospinal fluid collection systems, non-antimicrobial external ventricular drainage catheters, fixed pressure valve shunt systems, and dural grafts.

In December 2016, the Commission issued a consent order requiring Boehringer Ingelheim to divest its assets related to five types of animal health products to settle charges that its proposed asset exchange with Sanofi would likely be anticompetitive. The Commission complaint alleged that absent the divestitures, the proposed deal would harm competition in the U.S. markets for various pet vaccines as well as certain parasite control products used for livestock, leading to higher prices and reduced service in the markets, and increasing the likelihood of coordination between the remaining competitors. In a second animal health matter, Mars, Incorporated agreed to divest 12 veterinary clinics throughout the United States to settle charges that its proposed \$9.1 billion acquisition of VCA Inc. would substantially have lessened competition for certain specialty and emergency veterinary services in 10 U.S. localities, including: Kansas City, New York, Phoenix, Chicago, Corpus Christi, San Antonio, Seattle, Portland, and the Washington, DC region.

In another matter, in September 2017, the Commission announced that it would not challenge Walgreens Boot Alliance Inc.'s proposed acquisition of Rite Aid Corporation, after the firms restructured their originally proposed transaction due to antitrust concerns raised by the Commission. The revised deal significantly reduced the scope of the initial transaction reported to the FTC in 2016.

Consumer Goods and Services

The Commission continued to take action to preserve competition in the consumer goods and services sector.

- **Real Estate Appraisal Services:** In May 2017, the Commission filed an administrative complaint alleging that the Louisiana Real Estate Appraisers Board unreasonably restrained price competition for real estate appraisal services in Louisiana. According to the complaint, which is currently pending before an Administrative Law Judge, the board prohibits individual appraisers and their customers from engaging in bona fide negotiations to set appraisal fees for real estate in Louisiana, exceeding the scope of the federal mandate in the Dodd-Frank Act, which required appraisal management companies to pay “a rate that is customary and reasonable for appraisal services performed in the market area of the property being appraised.”
- **Organist Services:** In March 2017, the Commission issued a consent order requiring the American Guild of Organists to stop restraining its members from soliciting work as musicians, and to stop issuing compensation schedules, guidance, or model contract provisions for members to use in determining compensation. According to the Commission’s complaint, the organization’s rules and code of ethics restrained competition and harmed consumers by establishing compensation guidelines that discouraged its members from competing for performance opportunities. In addition to the prohibitions of anticompetitive compensation rules and guidance, the order also requires the guild to establish an antitrust compliance program, and to cease recognizing chapters that fail to comply with the program.
- **Contact Lenses:** In FY 2017, the Commission continued its administrative litigation charging that 1-800 Contacts, the largest online retailer of contact lenses in the United States, entered into unlawful agreements with rival sellers to suppress competition in certain online search advertising auctions and to restrict truthful and non-misleading internet advertising to consumers. The complaint alleged that these agreements unreasonably restrain price competition, constituting an unfair method of competition in violation of Section 5 of the FTC Act. Following a three-week administrative trial, the administrative law judge granted the Commission’s request for permanent injunction. In December 2017, the parties filed an appeal that is currently pending before the Commission.

Technology

- **Network Hardware:** In July 2017, the Commission issued a consent order requiring the creation of an information firewall to remedy concerns that Broadcom Limited’s acquisition of Brocade Communication Systems would give Broadcom access to the competitively sensitive information of rival fibre channel switch manufacturer Cisco. The order limits Broadcom’s use of Cisco’s sensitive business information and requires separate facilities and IT network resources for the development, production, sales, and marketing of application specific integrated

circuits (ASICs), an input in fibre channel switches, to Cisco, as well as appropriate security protocols to limit access to this information.

- **Online Fantasy Sports Contests:** In June 2017, the FTC authorized staff to seek a preliminary injunction to block the merger of the two largest daily fantasy sports sites, DraftKings and FanDuel, alleging that the combined firm would control more than 90 percent of the U.S. market for paid daily fantasy sports contests. According to the complaint, the two firms compete head-to-head to offer the best prices and product quality, including the largest prize pools and greatest variety of contests; competition that would have been lost post-merger. Approximately one month after the Commission authorized legal action, the parties abandoned their proposed transaction, and the Commission subsequently withdrew its complaint.

Chemicals and Industrial Goods

The FTC continues to devote significant resources to maintain competition in markets for chemicals and industrial goods.

- In April 2017, the Commission issued a consent order requiring China National Chemical Corporation (ChemChina) and Syngenta AG to divest three types of pesticides to settle FTC charges that their proposed merger would harm competition. According to the complaint, absent the divestiture the merger would have eliminated the direct competition between the two firms in the U.S. markets for herbicide paraquat, used to clear fields prior to growing season; insecticide abamectin, used to protect citrus and tree nut crops; and fungicide chlorothalonil, used to protect peanut and potato crops. Eliminating this direct competition would likely have led to higher prices or reduced services for these products.
- In the same month, the Commission issued a consent order requiring Emerson Electric Co. to sell the switchbox business of Pentair plc in order to settle FTC charges that its proposed merger would violate federal antitrust laws. The two firms manufacture industrial valves and control products, including switchboxes, which are widely used to regulate the flow of liquids and gases in oil and gas, chemical, petrochemical, power, and other industrial applications. According to the complaint, the proposed merger would have created a combined firm with a nearly 60 percent share of the U.S. switchbox market, with little likelihood of significant entry into the market, leading to higher prices or diminished quality for these critical safety devices.
- In another matter, the FTC issued a consent order under which Sherwin-Williams Company agreed to divest Valspar's North America industrial wood coatings business to settle FTC charges that firms' proposed \$11.3 billion merger would combine two of the top three industrial wood coatings manufacturers. Industrial wood coatings which include stains, topcoats, and sealants, are more durable than consumer wood coatings, and thus have no economically viable substitutes. Under the terms of the order, Sherwin-Williams was required to divest two indus-

trial wood coatings plants, as well as the assets and intellectual property necessary to maintain the business.

Energy

The FTC devotes significant resources to investigating competition issues in energy markets, which are also critically important to American consumers. The FTC continues to review proposed acquisitions involving energy products.

- **Natural Gas Pipelines:** In February 2017, the Commission issued a consent order to settle charges that Canada-based Enbridge Inc’s proposed mergers with Spectra Energy Corp. would likely have harmed competition in the market for pipeline transportation of natural gas in three production areas in the Gulf of Mexico: Green Canyon, Walker Ridge, and Keathley Canyon. Under the settlement, the companies agreed to establish information firewalls as well as additional internal controls for board members, and to notify the Commission before expanding or acquiring additional ownership interests in Spectra or any other natural gas pipeline operating in the three affected markets.
- **Retail Fuel Stations:** In June 2017, the Commission issued a consent order requiring retail fuel station and convenience store operator Alimentation Couche-Tard Inc. to divest its convenience stores/fuel stations in 71 local markets in Arizona, Colorado, Florida, Georgia, Louisiana, New Mexico, Ohio, and Texas in order to settle charges that its proposed merger with CST brands would harm competition for retail sales of gasoline and diesel fuel. According to the complaint, the market for these products is highly localized, and the proposed deal would have created monopolies in 10 markets, or otherwise reduced the number of competitors to two or three in the 61 others. The remedy will ensure that the firms continue to compete on price, convenience store format, product offering, and location, factors of great importance in the highly localized product market.
- **Ethanol Market Concentration Report:** In December 2016, as required by the Energy Policy Act of 2005, the Commission issued its 12th annual “Federal Trade Commission Report on Ethanol Market Concentration,” addressing the state of ethanol production in the United States.

Competition Advocacy, Reports, Workshops, and Outreach

Providing policymakers with a framework to analyze competition issues is an important component of the FTC’s mission to promote competition for the benefit of consumers. Government-imposed impediments can be among the most durable restraints on competition. Therefore, in response to requests, the FTC advises local, state, and federal entities on the potential competitive implications of pending governmental actions that may have a major impact on consumers.

- **Advocacy:** In FY 2017, the FTC filed 16 competition advocacy comments (3 to state legislators, 3 to federal government agencies, 6 to state government agencies and boards, and 4 amicus briefs).

FTC staff continued to advocate against efforts by state legislatures to create state action antitrust immunity for hospitals and other healthcare providers that engage in anticompetitive mergers or other forms of collaboration that could violate the antitrust laws. Staff filed three related comments opposing antitrust immunity in Tennessee. Staff warned that, because federal and state antitrust laws already permit healthcare collaborations that are likely to benefit consumers, the main effect of these antitrust immunity statutes would be to immunize conduct that would not generate efficiencies and would not otherwise pass muster under the antitrust laws, thereby likely harming healthcare consumers by increasing healthcare costs, diminishing incentives to improve quality, and decreasing access to healthcare services.

FTC staff also continued its multi-year effort to promote expanded scope of practice for mid-level healthcare professionals, particularly with respect to unnecessarily restrictive supervision requirements. This year, staff filed one comment regarding physician assistants (Iowa), and one comment regarding dental therapists (Ohio). Staff's comments noted that competition is enhanced, and healthcare consumers are likely to benefit, when mid-level health professionals are able to independently provide services within the scope of their training, licensure, certification, and current practice.

This year, FTC staff expanded its occupational licensing advocacy beyond healthcare providers, including one comment regarding a number of proposed senate bills that would loosen or eliminate certain occupational licensing requirements (Nebraska), and a second comment addressing competition for real estate appraisers (North Carolina).

FTC staff continued to actively pursue competition advocacy regarding the regulation of telehealth services. FTC staff commented on the Delaware Board of Speech/Language Pathologists, Audiologists and Hearing Aid Dispensers' proposed revisions to its telecommunications and telehealth regulations.

FTC and DOJ staff jointly filed an advocacy comment analyzing certificate of need regulations in Alaska.

- **Workshops:** During FY 2017, the Commission continued to conduct public workshops and conferences on emerging competition issues. This year, the Commission held three such events, including its Ninth Annual Microeconomics Conference and two workshops. At the FTC's Economic Liberty Task Force roundtable, "Streamlining Licensing Across State Lines: Initiatives to Enhance Occupational License Portability," the FTC explored compacts and model laws addressing license portability for particular professions, and related initiatives to aid military spouses seeking greater job mobility. At the workshop, "Now Hear This: Competition, Innovation, and Consumer Protection Issues in Hearing Healthcare," the FTC explored a range of competition issues, including how enhanced competition and innovation might increase the availability and adoption of hearing aids by those consumers who need them.

- **Reports:** During FY 2017, the FTC continued to publish reports and issue working papers addressing an array of competition issues. In February 2017, the Commission issued a report on its multiyear merger remedies study, which looked back at Commission merger orders issued between 2006 and 2012. FTC staff found that the agency’s process for designing and enforcing merger remedies is generally effective and in most cases resulted in remedies that preserved or restored competition that would have been lost due to the merger.

In October 2016, reflecting the Commission’s longstanding interest in issues at the intersection of competition and patent law and policy, the FTC issued its report on patent assertion entities (PAEs). PAEs are businesses that acquire patents from third parties and then try to make money by licensing or suing accused infringers. The Commission used its authority under Section 6(b) of the FTC Act to collect non-public information regarding PAE acquisition, licensing, and organizational behavior. In its subsequent report, the FTC described two types of PAEs that use distinctly different business models – focusing either on litigation or portfolio acquisition – and offered tailored recommendations to alleviate potential litigation abuses by PAEs. In November 2016, the FTC issued its report on internet and app-based “sharing economy” platforms used by millions of Americans. The report summarizes a June 2015 FTC public workshop and highlights a number of competitive benefits and potential challenges posed by disruptive business models in markets such as for-hire-transportation and short-term lodging.

In January 2017, the FTC and DOJ jointly issued guidance updating the Agencies’ antitrust analysis for the licensing of intellectual property. The FTC and DOJ retained the core economic principles of their IP licensing analysis, and included updates to reflect changes in law and policy.

- **Outreach:** In an effort to provide practitioners, researchers, and other interested stakeholders with tools and guides that are easy to access and understand, the Commission continues to leverage its online resources, including the FTC’s blog “Competition Matters,” as outreach tools on competition topics.

International Antitrust

- The FTC and the Department of Justice issued International Antitrust Guidelines on January 13, 2017. The Guidelines modernize the Agencies’ prior guidance to reflect updates to applicable law and the antitrust Agencies’ current approaches to antitrust in a globalized economy and increased cooperation with foreign authorities on both policy and investigative matters.
- In FY 2017, the FTC further developed cooperative relationships with foreign antitrust agencies to ensure close collaboration on cross-border cases and convergence toward sound competition policies. For example, the U.S. antitrust agencies engaged with the European Commission on policy issues of common interest, and shared merger enforcement techniques and experience with staff from the Canadian Competition Bureau and COFECE, Mexico’s antitrust commission.

- The FTC continued its robust enforcement cooperation, cooperating on 38 cases of mutual concern, including anticompetitive conduct and merger cases, with counterpart agencies from Australia, Austria, Belgium, Brazil, Canada, Chile, China, the European Union, Germany, Hungary, India, Ireland, Israel, Japan, Korea, Mexico, New Zealand, Singapore, South Africa, Taiwan, and the United Kingdom.
- The FTC continues to further the important roles that it plays in the International Competition Network (ICN) and the competition groups of the OECD, UNCTAD, and APEC. This provides opportunities to promote convergence toward best practices on substantive analysis and on principles of due process, share insights on law enforcement and policy initiatives, and emphasize good policies and practices regarding consumer welfare-based enforcement, intellectual property rights, the territorial scope of remedies, and procedural fairness. In the ICN, the FTC serves on the steering group and in numerous other leadership capacities. For example, the FTC co-chairs the Merger Working Group, leading a multi-year initiative to update the ICN's recommended practices for merger notification and review procedures and for merger analysis, and to develop practical guidance on merger investigative techniques and merger remedies. It also hosted the ICN's 2017 merger workshop. The FTC also originated and leads the ICN Training on Demand project, which is creating a comprehensive curriculum of video training materials on competition law and practice. In addition, through the agency's leadership of the ICN's implementation efforts, the FTC continues to play a key role in promoting implementation of the ICN's Guidance on Investigative Process, the most comprehensive agency-led effort to articulate principles and practices of procedural fairness in antitrust investigations, as well as the ICN's work on merger notification and review procedures. In the OECD, the FTC played a key role in developing the Competition Committee's long-term projects on competition in the digital economy and market studies.
- With the rapid growth in the number of jurisdictions with competition laws, the FTC has expanded its program of technical assistance to help agencies apply their laws in ways that support competitive markets and compatible analysis and outcomes in cross-border matters. Pursuant to its MOUs with the Chinese and Indian competition agencies, the FTC worked with these agencies on implementation of their competition laws, including through training of staff and cooperation and consultation on individual matters. The FTC, with the DOJ's Antitrust Division, addressed challenges posed by enforcement of the Chinese Anti-Monopoly Law through bilateral high-level and staff dialogue with the Chinese agencies, participation in the U.S. interagency group that addresses U.S.-China economic and trade issues, and regular consultation with U.S. stakeholders. This year, the FTC continued its technical assistance programs with India, the Philippines, and Ukraine by placing resident advisors in the agencies, in addition to providing hands-on workshops on investigational skills. The resident advisors' work focused on the application of economic analysis in investigations and merger notification procedures. The FTC also conducted competition training programs in numerous jurisdictions, from Argentina to Vietnam, along with regional programs

for Africa, Central America, Southeast Asia, and Southeast Europe. The FTC also conducted and oversaw an APEC-sponsored series of workshops on procedural fairness. During FY 2017, the FTC conducted 38 technical assistance programs for developing competition agencies around the world, supported by a mix of funding sources. The FTC also participated in the U.S. delegation negotiating the competition chapter of the North American Free Trade Agreement.

- The FTC International Fellows and Interns program enables staff from counterpart agencies to work directly with FTC staff on antitrust investigations and cases, subject to appropriate confidentiality protections. During FY 2017, the FTC hosted 11 International Fellows and Interns from Canada, El Salvador, the European Commission, Honduras, India, Israel, Korea, Pakistan, Ukraine, and the United Kingdom.

PLANNED ACTIVITIES IN FY 2018 AND BEYOND

Protecting Consumers

The FTC protects consumers from unfair and deceptive 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.

Protecting Consumers from Fraud

Fraud affects all consumers, and the FTC will place an increased emphasis on law enforcement efforts to stop scams, focusing on those that cause the largest consumer harm. The FTC will take enforcement actions to stop imposter scams in which the perpetrators pose as government agents, legitimate technical support companies, family members, or others.

The FTC also will focus on frauds targeting specific populations, including older Americans, military consumers, and small businesses. Con artists continue to target consumers in financial distress. Therefore, the FTC will continue to take enforcement actions to stop deceptive or other unlawful conduct in mortgage assistance relief and debt relief services, payday lending, and debt collection. This deceptive or other unlawful conduct can have severe consequences for consumers who can least afford it.

The FTC also is committed to protecting military consumers from scams. The FTC's website Military.Consumer.gov is a tool to help service members and their families avoid fraud and make informed financial decisions. With deployments and frequent relocations, military families regularly need to rent or buy a new place to live, manage money while on the move, and be vigilant about dealing with businesses in new locales. The FTC will devote more resources on outreach to military consumers.

The FTC will continue to offer materials to help businesses avoid becoming victims of fraud in the FTC's Business Center at business.ftc.gov and the small business website at ftc.gov/SmallBusiness.

Protecting Consumers as Technology Evolves

The FTC will continue its focus on identifying consumer protection issues associated with the use of new technology, including a careful consideration of the costs and benefits of practices and the importance of fostering innovation. The FTC also will take enforcement action against deceptive advertisements that appear in new formats and new media (e.g., apps, games, videos, and social networks). In addition, the agency will continue to evaluate consumer protection issues in the mobile marketplace through surveys and workshops. The FTC also will continue its efforts to root out entities responsible for illegal robocalls, enforce its Do Not Call rules, and work with other stakeholders and industry to help develop solutions. The FTC will continue to conduct research on emerging technologies to assist with enforcement actions, educate consumers, and inform policy.

Protecting Consumer Privacy and Data Security

The FTC will continue to take a leading role in efforts to protect consumers from unfair or deceptive practices related to the privacy and security of their personal information, while preserving the many benefits that technological advances offer. The agency will stop unfair and deceptive consumer privacy and data security practices through law enforcement focused on matters that cause or are likely to cause substantial injury to consumers. It will promote strong and balanced privacy protections through policy initiatives on a range of topics. The FTC will host a third PrivacyCon event in February 2018, continuing and expanding collaboration among leading white-hat researchers, academics, industry representatives, federal policymakers, and consumer advocates.

The FTC also will participate in interagency groups, promote self-regulatory efforts, provide technical assistance to Congress on draft legislation and participate in international privacy initiatives.

In addition, the FTC will continue to be the repository for identity theft complaints and make them available to federal criminal law enforcement agencies. Our trained counselors will continue to advise identity theft victims about the rights and remedies available to them under federal law, and educate all consumers about how to avoid becoming a victim. The FTC will continue to make enhancements to IdentityTheft.gov, the federal government's one-stop resource to help consumers report and recovery from identity theft.

Stopping Deceptive Advertising

The FTC will continue to challenge false and unsubstantiated advertising claims. These actions will target various health-related claims, including disease prevention and treatment claims; claims aimed at baby boomers, seniors, military members, and rural

consumers; and claims exploiting emerging health threats. The FTC also will challenge false and unsubstantiated environmental marketing claims.

Ensuring Compliance with FTC Orders

Order enforcement plays an integral part in fulfilling FTC's consumer protection mission. The agency will continue to place a high priority on enforcing orders against repeat offenders, as well as those who act with them.

Cross-Border Enforcement and Policy Development

The FTC will continue both enforcement against cross-border fraud and its policy development efforts in the international arena. Using the tools provided by the U.S. SAFE WEB Act and other mechanisms for cross-border cooperation, including technology-based systems, the FTC will continue to create and sustain international partnerships and networks to pursue matters involving foreign defendants, evidence, and assets and develop new initiatives with foreign counterparts on consumer fraud. The FTC will continue to explore new ways of using complaint data, including information from *econsumer.gov*, to target its international efforts and to promote reciprocal enforcement by its foreign partners.

The FTC will continue to promote international development of market-oriented consumer protection policies that effectively address consumer harm. It will continue to highlight the importance of strong enforcement as a key component of consumer protection, including on privacy and data security and messaging abuses such as robo-calls and spam, within the OECD, APEC (including the Electronic Commerce Steering Group), the International Conference of Data Protection and Privacy Commissioners, and other multilateral organizations. In particular, the FTC will continue to participate in the implementation of the OECD's 2016 Guidelines on Consumer Protection in the Context of Electronic Commerce and the revised United Nations Guidelines on Consumer Protection. The FTC will also continue to engage with European privacy and data protection authorities under the EU-U.S. Privacy Shield Framework ("Privacy Shield") to help businesses comply with data protection requirements when transferring personal data from the European Union to the United States in support of transatlantic commerce.

The FTC also will continue to take enforcement actions involving cross-border issues, including by taking actions against companies that make false or deceptive membership claims or fail to abide by commitments under the Privacy Shield. It will participate actively in enforcement networks such as the International Consumer Protection Enforcement Network, the International Mass Marketing Fraud Working Group, the Global Privacy Enforcement Network, and the Unsolicited Communications Enforcement Network and encourage coordinated enforcement actions that protect U.S. consumers. The FTC will continue to engage in technical assistance and capacity in building activities in jurisdictions such as India with a focus on preventing fraud aimed at American consumers and enhancing enforcement cooperation to combat deceptive schemes.

Promoting Competition

The FTC's competition work is critical to protect and strengthen the free and open markets. Robust competition promotes lower prices, higher quality products and services, and greater innovation, all of which benefit consumers and the economy. A vigorous, open, and competitive marketplace provides the incentive and opportunity for new ideas and innovative products and services. The FTC will continue to use all of the tools at its disposal to promote competition and protect consumers from anticompetitive mergers and business practices.

Challenging Anticompetitive Mergers

Identifying anticompetitive mergers remains one of the top priorities of the agency's competition mission. The premerger notification requirements of the HSR Act provide the FTC with an effective starting point for identifying anticompetitive mergers before they are consummated, preventing competitive harm. The FTC also devotes attention to identifying unreported, often consummated, mergers that could harm consumers. The number of HSR merger filings remains high, and reviewing and challenging anticompetitive mergers will continue to require substantial agency resources.

Promoting Competition in Healthcare and Pharmaceuticals

The rapidly rising cost of healthcare is a matter of concern for consumers, employers, insurers, and the nation as a whole. Health-related products and services account for a significant percentage of gross domestic product, and that share continues to grow each year as healthcare costs continue to rise. The FTC will continue to take action against anticompetitive agreements among healthcare providers and to challenge anticompetitive mergers of hospitals, medical device manufacturers, pharmaceutical companies, and other healthcare providers that contribute to the rising cost of healthcare. The FTC will also continue to advance its healthcare enforcement program by challenging anticompetitive conduct in the pharmaceutical industry that delays the introduction of generic drugs and costs consumers and governments up to billions of dollars annually. The agency also will continue its vigorous advocacy for healthcare competition by advising local, state, and federal entities, upon request, on the competitive implications of pending government actions.

Promoting Economic Liberty

The proliferation of occupational licensing, and the disparate treatment of such licenses from state-to-state, can stifle the economic opportunities available to American workers. Occupational licensing reform could reduce barriers to entry, enhance competition, and promote economic opportunity for all Americans. In July 2017, as the first event in a series, the FTC hosted a roundtable discussion to highlight approaches that make it easier for workers in state-licensed occupations to offer their services across state lines or move between states. A second roundtable in September 2017 examined empirical evidence on the benefits and costs of licensing, including its effects on workers, consumers, competition, and the overall economy. In December 2017, Acting Chairman Ohlhausen hosted a "fireside chat" featuring four individuals – including three military spouses – whose lives have been impacted by overbroad licensing rules. A recording of that event

was assembled into a set of “Voices for Liberty” videos, released in January 2018, to illustrate specific licensing issues and challenges. The agency has studied the competitive effects of licensing for many years, and will continue to engage with a broad range of stakeholders to pursue sensible occupational licensing reform.

Continuing Emphasis on Technology and Intellectual Property

The FTC continues to promote competition in complex and innovative high-tech markets through its ongoing enforcement, study, and advocacy efforts. Competition in technology sectors can be especially important to ensure that technological advances continue to drive innovation and growth in the economy, introducing more efficient products and processes into the marketplace, increasing quality, and decreasing prices.

This focus on technology markets places increasing demands on the FTC’s antitrust enforcement mission in both the merger and nonmerger areas. The FTC is vigilant where a firm may be illegally using a dominant market position to thwart competition in order to raise prices, reduce the quality or choice of goods and services, or reduce innovation; or where groups of competitors take collective action that threatens to increase prices or stifle innovation.

Antitrust matters increasingly intersect with intellectual property issues, raising difficult questions about how best to integrate these two bodies of law to further the common goal of promoting innovation. For example, the FTC recently published a report on patent assertion entities’ activity and organization to develop a better understanding of their impact on competition and innovation. The FTC also issued a report exploring the complexities of the “sharing economy” and its impact on competition.

Preventing Anticompetitive Activity in the Energy Sector

The FTC continues to focus closely on gasoline markets, investigating industry practices and pricing, and will move quickly to address any anticompetitive mergers and other anticompetitive activities that could artificially raise energy costs. Under its Gasoline and Diesel Price Monitoring Project, the FTC will continue to track retail gasoline and diesel fuel prices in 360 cities nationwide and wholesale prices in 20 major urban centers to identify unusual changes in gasoline prices; if staff detect any such changes, they will promptly investigate the cause.

Increasing Consumer and Business Outreach

The FTC will continue its efforts to educate consumers and businesses on the important role of competition in ensuring the mix of price, choice, and innovation valued by consumers and encouraging compliance with the antitrust laws. The FTC will look for opportunities to expand the reach of the “Competition Matters” blog by addressing frequently asked questions and issues of importance to consumers and businesses. Moreover, the FTC’s Premerger Notification Office responds to thousands of calls seeking guidance about premerger filing requirements. FTC staff also provide advisory opinions to businesses that request review of proposed conduct.

Promoting Global Competition

The FTC will continue to develop its cooperative relations with key international counterpart agencies, and will update and develop additional cooperation tools, as needed to ensure sound and consistent enforcement. Additionally, the FTC will continue to work with competition agencies worldwide to promote best practices and to minimize procedural and policy differences. The FTC plays a lead role in pursuing convergence toward best practices through its active participation in international bodies, such as the ICN and OECD, and continues to advocate for, develop, and promote the implementation of international best practices in core substantive and procedural areas, including procedural fairness. The FTC will continue its international competition outreach efforts in order to build cooperative relationships with our counterpart agencies through the International Fellows and Interns program and the technical assistance program. The Commission also will continue to work with other U.S. agencies as appropriate to address issues of mutual concern, including through competition provisions of trade agreements.

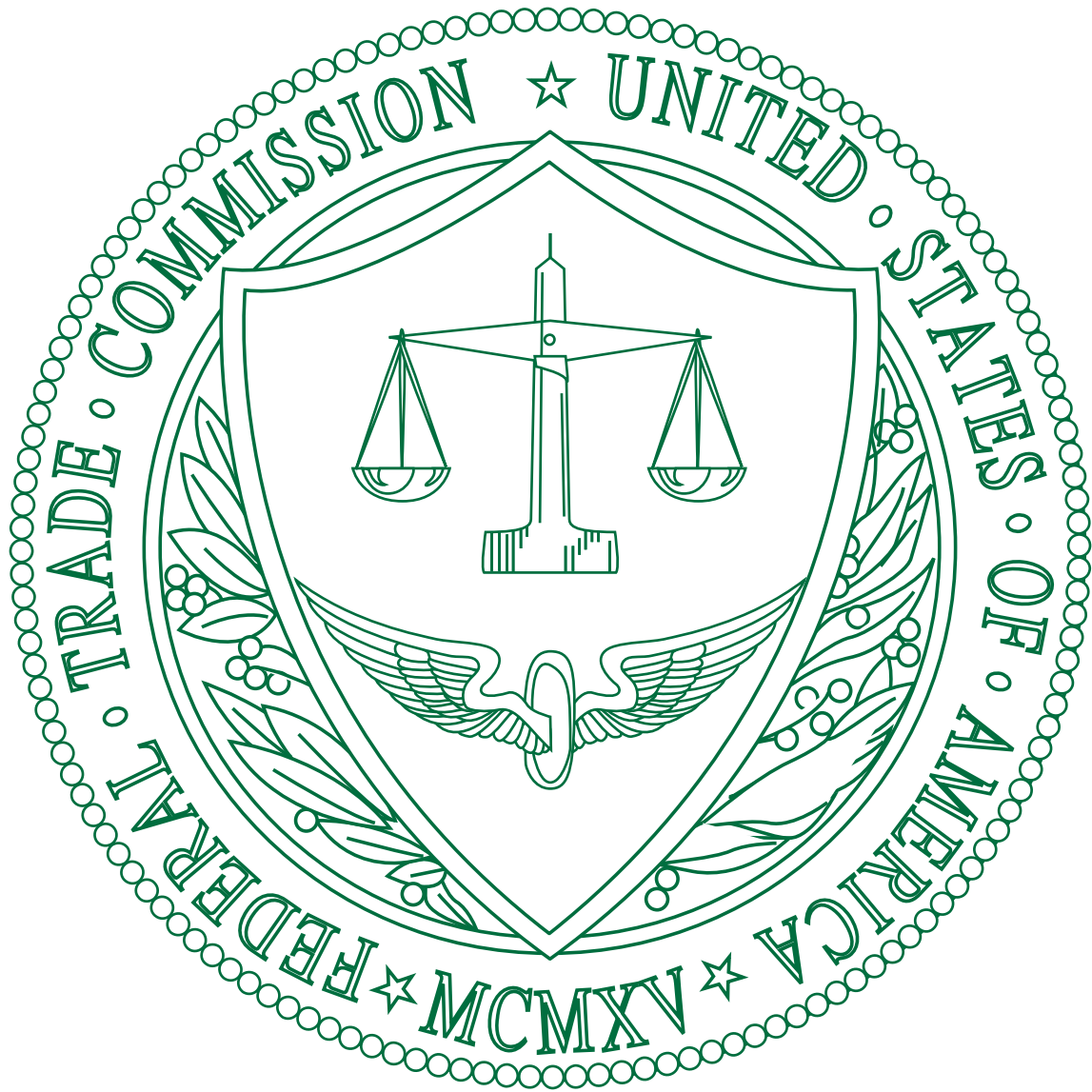
Advocating for Competition before the Courts and Other Government Agencies

The FTC also works to minimize government-imposed barriers to a competitive marketplace by responding to policy-makers' inquiries about how to apply sound competition principles as they make decisions affecting consumer welfare. In doing so, the FTC will continue to file comments on proposed government action (legislation, regulation, and other rules) affecting competition in a broad range of industries. FTC staff will also continue to provide guidance on important competition policy issues by issuing reports and filing amicus briefs to help courts resolve important competition issues.

Enforcing FTC Orders, Ensuring the Effectiveness of FTC Merger Orders, and HSR Compliance

The FTC will continue its compliance program to ensure that consumers receive the benefits of FTC orders entered to restore or promote competition. The FTC also will continue to enforce compliance with the HSR premerger notification rules, and take appropriate action when firms fail to meet the filing requirements.

FISCAL YEAR 2017 PERFORMANCE REPORT AND
ANNUAL PERFORMANCE PLAN
FOR FISCAL YEARS 2018 AND 2019



Budgeted Resources by Objective

(\$ in thousands)

Strategic Goal 1: Prevent fraud, deception, and unfair business practices in the marketplace.	FY 2018 FTE	FY 2018 Amount	FY 2019 FTE	FY 2019 Amount
Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers.	510	\$142,264	510	\$142,264
Objective 1.2: Provide the public with knowledge and tools to prevent harm to consumers.	73	21,194	73	21,194
Objective 1.3: Collaborate with domestic and international partners to enhance consumer protection.	29	7,735	29	7,735
Total	612	\$171,193	612	\$171,193

Strategic Goal 2: Prevent anticompetitive mergers and other anticompetitive business practices in the marketplace.	FY 2018 FTE	FY 2018 Amount	FY 2019 FTE	FY 2019 Amount
Objective 2.1: Identify and take actions to address anti-competitive mergers and practices that cause harm to consumers.	453	\$119,654	453	\$118,642
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	13,855	53	13,741
Objective 2.3: Collaborate with domestic and international partners to preserve and promote competition.	22	6,172	22	6,124
Total	528	\$139,681	528	\$138,507

FTE by Objective
(\$ in thousands)

Protecting Consumers	Fiscal Year 2018				Fiscal Year 2019			
	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
Planning and Information	---	---	---	---	---	---	---	---
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 2018				Fiscal Year 2019			
	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

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ORGANIZATIONAL OVERVIEW

About the Annual Performance Report FY 2017 and the Annual Performance Plan FY 2018-2019

Beginning in FY 2014, the Federal Trade Commission (FTC) combined the Annual Performance Report and the Annual Performance Plan into a single document. The performance report and the performance plan are organized by strategic goal and objective as defined by the FTC Strategic Plan. FY 2017 was a transition year as Federal agencies reviewed and updated their Strategic Plans in view of a new Presidential administration and as required by the Government Performance and Results Modernization Act (GPRMA) of 2010. As a result, the FTC Annual Performance Plan (FY 18-19) and the Annual Performance Report (FY 17) are based on two separate Strategic Plans. The FY 2017 Annual Performance Report (Section III) is organized by strategic goal and objective as defined in the Agency Strategic Plan for Fiscal Years 2014 to 2018. The FY 2018-2019 Annual Performance Plan (Section IV) is organized by strategic goal and objective as defined in the recently updated [Agency Strategic Plan for Fiscal Years 2018 to 2022](#). In FY 2017-2018, the FTC also sought input from Congress, the Office of Management and Budget, and its stakeholders to ensure that its strategic goals, objectives, and performance goals continue to provide relevant information that reflects the FTC's performance.

To see the FTC's performance and budget documents, please view <https://www.ftc.gov/about-ftc/performance> and <https://www.ftc.gov/about-ftc/budgets>.¹

The FTC At-a-Glance

Laws Enforced

In 1914, President Woodrow Wilson signed the Federal Trade Commission Act into law, and the FTC commenced its work on behalf of American consumers in March 1915. The FTC is a law enforcement agency with both consumer protection and competition jurisdiction in broad sectors of the U.S. economy. The agency administers a wide variety of laws and regulations. Examples include the Federal Trade Commission Act, Telemarketing Sales Rule, Fair Credit Reporting Act, and Clayton Act. In total, the Commission has enforcement or administrative responsibilities under more than 70 laws (see <https://www.ftc.gov/enforcement/statutes> for a listing).

¹ The President's Budget identifies lower-priority program activities, where applicable, as required under the GPRMA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access this information at <https://www.whitehouse.gov/omb/budget>. The FTC does not have any lower-priority program activities.

Profile

- The agency is headquartered in Washington, D.C. and operates with seven regions across the United States.
- The agency had 1,141 full-time equivalent employees at the end of FY 2017.
- Total new budget authority for FY 2017 was \$313 million.

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. The FTC performs its mission through the use of a variety of tools, including law enforcement, rulemaking, research, studies on marketplace trends and legal developments, and consumer and business education. The FTC revised its Mission Statement in the FY 2018-2022 Strategic Plan. The Vision Statement was unchanged.

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.

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, 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 distort a competitive marketplace as much as unfair methods of competition, 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. The agency maintains a website at www.ftc.gov that provides information for consumers and businesses, as well as online forms to file complaints.

The FTC is headed by a five-member Commission, nominated by the President and confirmed by the Senate, each serving 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’s mission is carried out by 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, the Office of International Affairs, the Office of Policy Planning, the Office of the Secretary, the Office of the Executive Director, the Office of Congressional Relations, the Office of Public Affairs, the Office of Administrative Law Judges, the Office of Equal Employment and Workplace Inclusion, the Office of the Inspector General, and eight regional offices across the country. For more information about the agency’s components, visit its [organizational structure webpage](#).

Our People

The FTC’s workforce is its greatest asset. The agency’s workforce consists of 1,141 civil service employees dedicated to carrying out the agency’s mission.

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PERFORMANCE OVERVIEW

The FY 2017 Annual Performance Report contains details of program performance results, trend data by fiscal year, resources, strategies, and factors affecting performance. The performance results described in this report enable the FTC to administer and gauge the success of its programs, and make adjustments necessary to improve program quality for the public. The steps the FTC has taken to ensure the performance information it reports is complete, accurate, and consistent are described under Verification and Validation of Performance Data, and in the [Data Quality Appendix](#). Historical performance results for FYs 2013 to 2017 are presented in the tables following this section.

Strategic and Performance Planning Framework

The Federal Trade Commission’s planning framework originates from the FTC’s Strategic Plan for Fiscal Years 2018-2022 and is supported by the FTC’s Performance Plan for FY 2018-2019. The FTC’s work is structured around three strategic goals and their supporting objectives. Performance goals are used to gauge the FTC’s success for each objective. No performance goals have been added or removed since the publication of the Strategic Plan. The following table describes each element of the FTC’s performance framework.

Element	Description
Strategic Goals	Statements of long-term aims outlined in the Strategic Plan, which define how the agency carries out its mission.
Objectives	Statements of how the agency plans to achieve the strategic goals.
Performance Goals	Measures used to gauge success in reaching objectives.
Key Performance Goals	Measures that best indicate whether agency activities are achieving the desired outcome associated with the related objective.
Targets	Expressions of desired performance levels or specific desired results targeted for a given fiscal year. Targets are expressed in quantifiable terms.

Performance Measurement Reporting Process

Bureau and Office representatives serve as the Performance Measure Reporting Officials (PMROs), who act as data stewards for each of the agency’s publicly reported performance goals. The PMROs report to the Deputy Chief Financial Officer (DCFO) on a monthly, quarterly, or annual basis via an internal data reporting tool. The Financial Management Office (FMO) also leads periodic performance goal reviews in coordination with budget execution reviews. The CFO / Performance Improvement Officer (PIO), the Executive Director, the Chief of Staff, and the Chairman are briefed on the re-

sults and any significant variances in planned versus actual results. The PIO and DCFO then coordinate with the PMROs on any adjustments to strategies and tactics based on the performance results.

Performance Goals Overview

The FTC has established performance goals or measures for assessing program performance against strategic goals and objectives.

In FY 2017, FTC evaluated its performance against 29 performance goals/measures. Nine are considered “key” performance goals because they best indicate whether agency activities are achieving the desired outcome associated with the related objective. Additionally, four performance goals are considered efficiency performance goals because either they are ratios of outcomes to inputs or they capture administrative timeliness. For each performance goal, the FTC has established a performance target.

In FY 2018-2019, FTC’s Performance Plan is based on the FTC’s revised Strategic Plan, which is structured around 30 performance goals/measures of which nine are considered “key.”

Relationship of Outputs to Outcomes

The FTC continuously reviews its performance framework and focuses on tracking and reporting the most appropriate and meaningful outcome performance goals to show effectiveness, efficiency, and results. For example, outcome-based Performance Goal 1.1.4 measures the amount of money the FTC returns to consumers or forwards to the U.S. Treasury. Outcome-based Performance Goals 2.1.2 and 2.1.4 estimate the millions of dollars in consumer savings that result from merger and nonmerger actions taken to maintain competition. The FTC, however, has not developed outcome performance goals in all cases, and uses process, customer service, and output measures that either, support outcomes, lead to outcomes, or otherwise provide valuable indicators of how the FTC is progressing toward achieving its strategic goals and objectives. Under the consumer protection strategic goal, for example, Performance Goal 1.1.1 indicates the percentage of the agency’s consumer protection law enforcement actions that targeted the subject of consumer complaints, and Performance Goal 1.2.3 provides the number of workshops and conferences the FTC convened that address consumer protection issues. While these performance goals are not outcome-oriented, they bring the FTC closer to determining its impact on the ultimate desired outcome of a marketplace free of unfair practices, fraud, and deception that injure consumers.

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 details on the data quality of each performance goal. 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 goals.
- 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 FTC's 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 application (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 business units (e.g., 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 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

Strategic Goal 1: Protect consumers from unfair and deceptive practices in the marketplace: The FTC continuously evaluates the effectiveness of its efforts to protect consumers. The agency's research and analysis of important and emerging consumer protection issues enhances agency decision-making and enables the agency to better protect consumers. This work is done through the Bureau of Consumer Protection and the Bureau of Economics. The FTC assesses the extent to which FTC staff and its law enforcement partners use the consumer complaint and other information collected or published. The agency evaluates whether enforcement activities are tracking the areas of greatest concern and whether there are new practices or technologies that require additional law enforcement. The FTC collects customer satisfaction data about the

Consumer Response Center (CRC), which is often consumers' first contact with the FTC. If consumers do not have a satisfactory experience with the CRC, they may be less likely to file complaints. The FTC also collects customer satisfaction data on its consumer education websites to gauge their effectiveness, helpfulness, and usability. 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.

The FTC's secure online consumer complaint database, Consumer Sentinel Network (CSN), provides law enforcement agencies worldwide with access to tens of millions of consumer fraud, identity theft, financial, and Do Not Call Registry complaints collected during the past five years. The CSN includes complaints filed with the FTC, other federal agencies, state law enforcement organizations, and non-governmental organizations. Consumer complaints help the FTC identify consumer protection issues and trends in the fast-changing, increasingly global marketplace. The data contained in the CSN is used by the FTC and other agencies to research cases, identify victims, track possible targets, and focus the FTC's consumer and business education efforts. Every year the FTC publishes a report of the top consumer complaints received, including a break out of complaint data on a state-by-state basis.

To help ensure that its enforcement, education, and advocacy efforts are well-targeted, the Bureau of Consumer Protection works with the Bureau of Economics in evaluating economic harm to consumers as cases and programs are developed. For example, the Bureau of Economics is currently conducting the Commission's fourth survey about consumers' experiences with consumer fraud to understand better the prevalence of certain types of consumer fraud and how the incidence of such frauds has changed since the last survey in 2011. The Bureau of Consumer Protection also works to ensure its consumer and business education materials are timely and useful.

Strategic Goal 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes: The FTC continuously evaluates the effectiveness of its efforts to maintain and promote competition. Evidence is the central component in carrying out the Bureau of Competition's mission. For example, the Bureau of Competition uses market-based evidence when considering whether conduct could have a substantial effect on competition. In addition, economists from the FTC's Bureau of Economics are actively engaged in analyzing all facets of matters the Bureau of Competition investigates or litigates. In addition to enforcement work, the Economics Bureau conducts analyses of competition issues and market trends. For example, the Bureaus of Competition and Economics recently completed a broad study of all of the Commission's merger orders from 2006 through 2012, evaluating the success of each remedy and examining the remedy process more generally. This study helps the FTC develop improved remedies based on evidence from prior cases.

The Office of Policy Planning (OPP) also does research and holds public workshops on new or evolving competition-related areas of interest to the Commission. Information

collected through this work directly impacts enforcement and advocacy targeting. OPP also uses survey data and outcome data to evaluate the effectiveness of the agency's advocacy efforts relating to competition issues, and reports publicly on those results in the FTC's Annual Performance Report. Always looking forward, the FTC strives to adapt to the dynamic markets we protect by leveraging the research, advocacy, and education tools at its disposal to improve its understanding of significant antitrust and consumer protection issues and emerging trends in business practices, technology, and markets.

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. With respect to financial management, the FTC's financial statements are audited annually, which encompasses a thorough overview of the agency's financial position and various transactions throughout the fiscal year. With respect to human capital management, reviews are essential for hiring, managing, training, and retaining talented and high performing employees. To that end, the FTC regularly evaluates and acts on the recommendations for improvements of its human capital programs via Office of Personnel Management (OPM) audits and assessments, Equal Employment Opportunity Commission (EEOC) reviews, and internal pulse and customer satisfaction surveys. In addition, results from OPM's Federal Employee Viewpoint Survey provide important data on employees' engagement, sense of inclusion, dedication to the FTC mission, and commitment to personal accountability. To effectively respond to customer feedback, the FTC's Office of the Executive Director (OED) maintains an intranet catalog of over 100 agency services and measures performance against documented service norms. Service level agreements are in place for selected key services to further improve operational effectiveness. OED also disseminates periodic surveys to customers around to gauge customer satisfaction and uses the data to target areas for improvement.

The FTC's Office of the Chief Information Officer (OCIO) uses multiple sources of data to make resource allocation and investment decisions. The OCIO uses data from the FTC IT Risk Management system (FIRM) to evaluate overall IT program risk based on impact and probability and to determine which high-risk program areas require additional resources to mitigate possible issues. System and network monitoring data collected from automated management tools provides insight into system and application performance, identifying issues that may cause downtime or system latency and signifying where upgrade, replacement, or enhancement may be required.. End-user service requests, incident tickets, and customer satisfaction data are monitored using the agency's IT service management tool to determine where end-user tools may require additional functionality or users may require training. With respect to cybersecurity, annual government-wide Federal Information Security Modernization Act (FISMA) reviews are conducted, and the agency reviews and acts on areas that need improvement. Information security vulnerability data is closely monitored using vulnerability management tools to analyze the agency's cybersecurity posture and determine where resources should be allocated to keep agency systems secure.

The FTC's Office of Public Affairs (OPA) manages the agency's primary website, FTC.gov, and its social media properties. The office gathers and analyzes web traffic data weekly, monthly, and annually to understand customer needs and behavior in order to improve content and the customer experience. For projects that involve a website redesign or a major change to site functionality, usability studies are conducted to test how the change would impact the customer experience, and modifications are made if necessary. OPA gathers and analyzes social media metrics weekly, and modifies social media strategies as needed, to improve reach and effectiveness.

Strategic Human Capital Management




The FTC's strategic human capital management ensures that the agency has the diverse, skilled workforce needed to advance its mission, achieve its strategic goals and objectives, and meet performance measure targets. The agency conducts human capital planning in concert with long-term strategic planning and annual performance planning to keep human capital goals, policies, programs, and initiatives aligned with the strategic and performance plans.

Human capital planning encompasses leadership and knowledge management, a results-oriented performance culture, talent management, and job satisfaction, which are evaluated annually by the [U.S. Office of Personnel Management's Employee Viewpoint Survey](#). More detailed information on human capital performance goals and results are provided in Strategic Objective 3.2 in both the Annual Performance Report and the Annual Performance Plan sections of this report.


Enterprise Risk Management

The FTC has initiated an Enterprise Risk Management (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 using the agency Strategic Plan. The result of the assessment will be provided to agency leadership with a portfolio view of risk to help inform decision-making. For FY 2017, the agency used the performance goals in the Strategic Plan to help identify, document, and report risk in the form of a risk portfolio (register). For FY 2018, ERM will standardize risk management and monitoring activities throughout the agency.

Annual Performance Goals: Fiscal Years 2013 to 2017
 For additional performance information, please see the reports available at
<http://www.ftc.gov/about-ftc/performance>.





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.	90.9%	89.9%	93.8%	91.2%	80.0%	94.4%
Performance Goal 1.1.2 Rate of customer satisfaction with the FTC's Consumer Response Center.	(A)76.0 (B)80.0	(A) 71.0 (B) 81.0	(A) 81.0 (B) 82.0	(A) 81.0 (B) 83.0	(A) 73.0 (B) 73.0	(A)80.0 (B) 84.0
 Key Efficiency Performance Goal 1.1.3 Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.	N/A	769.0%	723.4%	1,083.8%	650.0%	1,278.3%
 Key Performance Goal 1.1.4 Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury.	N/A	\$66.9 million	\$76.2 million	\$57.6 million	\$60.0 million	\$366.0 million
Objective 1.2: Provide the public with knowledge and tools to prevent harm to consumers.						
Performance Goal 1.2.1 Rate of consumer satisfaction with FTC consumer education websites.	80.0	79.0	Data Not Available	76.0	73.0	77.0
 Key Performance Goal 1.2.2 Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns.	11,236	12,205	16,321	14,509	12,500	12,944
Performance Goal 1.2.3 Number of workshops and conferences the FTC convened that address consumer protection problems.	12	10	17	12	10	19
Performance Goal 1.2.4 Number of consumer protection reports the FTC released.	12	6	6	8	6	10

Annual Performance Goals: Fiscal Years 2013 to 2017

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
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.	N/A	424	435	387	375	359
 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.	61	45	58	53	40	50
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, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC.	N/A	60	76	66	60	66
Performance Goal 1.3.4 Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	85.7%	81.8%	100.0%	85.7%	60.0%	*


*Data for 1.3.4 and 2.2.3 is reported with a one year lag. FY 2017 results will be reported in the FY 2018 APR.

Annual Performance Goals: Fiscal Years 2013 to 2017

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
STRATEGIC GOAL 2: MAINTAIN COMPETITION						
Objective 2.1: Identify and take actions to address anticompetitive mergers and practices that harm consumers.						
 Key Performance Goal 2.1.1 Percentage of actions taken to maintain competition in substantial merger and nonmerger investigations.	42.2%	57.1%	57.7%	54.6%	40.0-60.0%	49.1%
Performance Goal 2.1.2 Consumer savings through merger actions taken to maintain competition.	\$564.2 million	\$1 billion	\$2.4 billion	\$2.6 billion	\$2.1 billion	\$2.6 billion
 Key Efficiency Performance Goal 2.1.3 Total consumer savings compared to the amount of FTC resources allocated to the merger program.	1,382.2%	2,505.2%	5,131.6%	4,640.3%	4,200.0%	5,563%
Performance Goal 2.1.4 Consumer savings through nonmerger actions taken to maintain competition.	\$449.8 million	\$419.0 million	\$1.0 billion	\$1.0 billion	\$900.0 million	\$1.1 billion
 Key Efficiency Performance Goal 2.1.5 Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.	2,296.0%	2,028.3%	4,863.3%	5,228.6%	4,000.0%	3,959%
Objective 2.2: Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers						
Performance Goal 2.2.1 Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.	4	4	4	3	4	3
Performance Goal 2.2.2 Number of reports and studies the FTC issued on key competition-related topics.	14	11	9	9	8	11
Performance Goal 2.2.3 Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	75.0%	93.3%	80.0%	64.7%	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.	100.0%	100.0%	100.0%	100.0%	95.0%	96.0%
Performance Goal 2.3.2 Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or government, directly and through international organizations, through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, or comments, and with foreign officials when they visit the FTC.	134	161	144	171	120	160

*Data for 1.3.4 and 2.2.3 is reported with a one year lag. FY 2017 results will be reported in the FY 2018 APR.

Annual Performance Goals: Fiscal Years 2013 to 2017

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
STRATEGIC GOAL 3: ADVANCE ORGANIZATIONAL PERFORMANCE						
Objective 3.1: Optimize resource management and infrastructure.						
Performance Goal 3.1.1 A favorable Continuity of Operations (COOP) rating.	85.0%	85.0%	90.0%	90.0%	75.0%	95.0%
Performance Goal 3.1.2 Availability of information technology systems.	100.00%	99.98%	99.82%	99.75%	99.50%	99.70%
Performance Goal 3.1.3 Achieved a favorable (unmodified) audit opinion from the agency's independent financial statement auditors.	Unmodified opinion				Unmodified opinion	Unmodified opinion
Efficiency Performance Goal 3.1.4 Average number of days for the FTC to release information in response to a simple FOIA request.	7.4 days	5.4 days	5.5 days	5.9 days	6.0 days	5.4 days
Objective 3.2: Cultivate a high-performing, diverse, and engaged workforce.						
Performance Goal 3.2.1 FTC achieves a high ranking in the Best Places to Work in the Federal Government.	Ranked 4th	Ranked 4th	Ranked 4th	Ranked 5th	Within the top 10 of mid-size agencies	Ranked 4th
 Key Performance Goal 3.2.2 The extent employees believe the FTC has the talent necessary to achieve organizational goals.	69%	70%	72%	74%	59%.	77%
Performance Goal 3.2.3 The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.	N/A	68%	70%	75%	60%	78%

STRATEGIC GOAL 1: PROTECT CONSUMERS

The FTC has jurisdiction over a wide range of consumer protection issues. To carry out its broad mission, it must effectively use 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.

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

FY 2017 Strategic Objective Progress Update

Progress Made

The agency continued to focus its resources on areas that cause the greatest harm to consumers. In FY2017, the agency initiated or obtained settlements in 112 consumer protection enforcement actions. For example, the agency, along with 11 states and the District of Columbia, launched a coordinated federal-state law enforcement initiative, dubbed “Operation Game of Loans,” to target deceptive student loan debt relief scams. In a victory for the FTC, a federal court ordered Dish Network to pay \$280 million in civil penalties and to stop violations of the FTC’s Telemarketing Sales Rule and other federal and state laws. Overall, In FY17, the FTC filed or obtained settlements in 86 consumer protection matters in district court, reached 26 administrative consent agreements related to consumer protection, and distributed more than \$358 million in redress to consumers.

In the area of privacy, the agency held a Connected Cars workshop with the National Highway Traffic Safety Administration (NHTSA) that focused on balancing the privacy and safety impacts of this technology with consumer benefits. The agency also hosted its second PrivacyCon event to continue and expand collaboration among leading white hat researchers, academics, industry representatives, consumer advocates, and the government to address the privacy and security implications of emerging technologies.

The FTC also announced the winner of an Internet of Things (IoT) Home Inspector Challenge, which provided a top prize of \$25,000 to develop a tool that would help consumers protect the security of their IoT devices. The winning product, a mobile app, will enable users with limited technical expertise to identify devices with out-of-date software and other common security vulnerabilities and provide instructions on how to update each device’s software and address other vulnerabilities. The FTC also awarded a \$3,000 honorable mention to a team that proposed an alternative method of securing home networks from vulnerable IoT devices.

The agency took measures to streamline information requests to businesses, while preserving the its ability to conduct thorough investigations. The FTC also announced proposals to minimize or eliminate certain regulations that may no longer in the public

interest, including the 1966 Picture Tube Rule and the 1959 Textile Rule. Further streamlining will occur as the FTC continues its regular, systematic reviews of all rules and guides, assessing their costs and benefits to consumers and businesses.

BCP continued to make law enforcement training a priority in FY 2017. 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 business-coaching scams, accounting basics for litigators, the SAFE WEB Act, and preserving an asset freeze. BCP also hosted numerous brown bags on litigation topics. In addition, BCP, through its Office of Technology (OTech), worked to keep BCP’s staff current and tech-savvy, providing training on topics such as social media apps, mobile tools, and evidence capture. In addition, BCP 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.

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. (Output Measure)					
This goal gauges how well the FTC's consumer protection law enforcement actions target the subject of consumer complaints.					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	70%	80%	80%	80%	80%
Actual	90.9%	89.9%	93.8%	91.2%	94.4%
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded
FY 17 Highlights: In FY 2017, 94.4%, or 51 of 54, 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. (Customer Satisfaction Measure)

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 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	(a) 74.0 (b) 74.0	(a) 74.0 (b) 74.0	(a) 72.0 (b) 72.0	(a) 73.0 (b) 73.0	(a) 73.0 (b) 73.0
Actual	(a) 76.0 (b) 80.0	(a) 71.0 (b) 81.0	(a) 81.0 (b) 82.0	(a) 81.0 (b) 83.0	(a) 80.0 (b) 84.0
Status	(a) Exceeded (b) Exceeded	(a) Not met (b) Exceeded	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded

FY 17 Highlights: In the second quarter of 2017, the Customer Satisfaction Index for the FTC Call Center rose two points to 85, the highest since the program’s inception. The FTC website and Call Center continue to perform above private and public sector industry benchmarks.

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

This goal tracks how much money the FTC saves consumers each year through law enforcement. When the FTC files an administrative complaint or a federal district court action and prevails in litigation, it typically obtains a court order stopping the challenged practices. If defendants fail to comply with such an order, they are subject to contempt or civil penalty proceedings. By obtaining court orders to stop illegal practices that harm consumers, the agency directly prevents additional consumer losses.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	N/A	Baseline	650.0%	650.0%	650.0%
Actual	N/A	769.0%	723.4%	1,083.8%	1,278.3%
Status	N/A	N/A	Exceeded	Exceeded	Exceeded

FY 17 Highlights: During FY 2017, the agency saved consumers over twelve times the amount of resources devoted to the consumer protection program, or \$1.29 billion. This is largely attributable to the consumer savings from the Western Union, IWorks, and Vemma Nutrition Company cases.

Key Performance Goal 1.1.4: The amount of money the FTC returned to consumers and forwarded to the U.S. Treasury.

This goal tracks the FTC’s effectiveness in returning money to consumers who were defrauded or forwarding money to the U.S. Treasury (e.g., if redress is impracticable, or if funds were paid as a civil penalty). (Numbers shown in millions.)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	N/A	Baseline	\$60.0	\$60.0	\$60.0
Actual	N/A	\$66.9	\$76.2	\$57.6	\$366.0
Status	N/A	N/A	Exceeded	Not met	Exceeded

FY 17 Highlights: In FY 2017, the FTC returned \$358.9 million to consumers and forwarded \$7.0 million to the U.S. Treasury. The FTC returned money to consumers in dozens of cases, including Herbalife, AT&T, Tax Club, and DeVry. The money returned to the U.S. Treasury included civil penalties obtained in settlements with InMobi Pte Ltd., Aaron Michael Jones, and GC Services Limited Partnership. In addition, in FY 2017, FTC orders in the Volkswagen, Amazon, and NetSpend matters required defendants to self-administer refund programs worth more than \$11 billion in refunds to consumers.

Other Indicators

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

This indicator ensures that the agency assimilates a large number of consumer complaints, including complaints about Do Not Call violations. The agency will receive 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 are in millions)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	5.7	5.6	7.1	8.4	9.7

FY 17 Highlights: During FY 2017, the FTC approached various entities such as other federal agencies, state attorneys general, non-profit organizations, and technology companies as potential data contributors to CSN, which would add tens of thousands of consumer complaints each year.

Indicator 1.1.IND.2: The percentage of redress cases in which the FTC distributes redress dollars designated for distribution to consumers within 6 months.

This indicator will ensure 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 useable claimant list is ready.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	94.7%	100%	88.2%	100%	95.5%

The FTC stops unfair and deceptive business practices by investigating and bringing law enforcement cases against companies that break the law. After a settlement or judgment, the FTC collects money, and when possible, returns that money to the consumers and businesses that were harmed by the illegal business practices. For example, the FTC mailed more than 347,000 refund checks worth nearly \$200 million to consumers in connection with the FTC’s Herbalife lawsuit. The stipulated final order that also required Herbalife to change its business structure was approved by the Commission in July 2016, and checks were mailed in January 2017.

Objective 1.2: Provide the public with knowledge and tools to prevent harm to consumers.

FY 2017 Strategic Objective Progress Update

Progress Made

The FTC focuses consumer and business education efforts on areas where deception, unfair practices, and information gaps cause the greatest injury. For example, as part of the agency’s continued outreach efforts to help consumers avoid scams, the agency focused on frauds targeting military personnel and veterans. The FTC launched ftc.gov/Militarytaskforce, a new web page highlighting the work of the agency’s new Military Task Force, which is aimed at identifying the needs of military consumers and developing initiatives to empower service members, veterans, and their families, including through law enforcement actions. The FTC also hosted two workshops in coordination with the military community.

To reach small business owners, the FTC launched a new website, ftc.gov/smallbusiness, with information to help small business avoid scams and protect their systems and customer data from threats. The site, which includes a new Small Business Computer Security Basics guide, also has information on other cyber threats such as ransomware and phishing schemes. The FTC also kicked off a new “Engage, Connect, and Protect” Initiative, launching a nationwide dialogue on cybersecurity with small businesses. The FTC held three roundtable events bringing together agency staff, the SBA and other federal partners, industry associations, and the small business community. The comments and feedback generated by the roundtables will be used to help the FTC and its partners provide additional education and guidance for small business owners on cybersecurity issues.

As part of its ongoing efforts to help businesses ensure they are taking reasonable steps to protect and secure consumer data, the FTC published a series of blog posts using hy-

pothetical examples based on lessons from closed investigations, FTC law enforcement actions, and questions from businesses. These new posts build on the FTC’s Start with Security guide for businesses.

Challenges or Barriers

The FTC continues to encounter challenges meeting the demand for educational materials available in print. We mitigated these issues through judicious funding, publication revisions, and streamlining the catalog of printed materials.

Performance Goal 1.2.1: Rate of consumer satisfaction with FTC consumer education websites					
This goal ensures that the agency’s consumer education websites are effective and helpful for consumers. Satisfaction results are measured by the Average Citizen Satisfaction rate as published in the E-Government Satisfaction Index.					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	73.0	73.0	73.0	73.0	73.0
Actual	80.0	79.0	Data Not Available	76.0	77.0
Status	Exceeded	Exceeded		Exceeded	Exceeded
FY 17 Highlights: In FY 2017, 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.					

Key Performance Goal 1.2.2: Number of federal, state, local and international, and private partnerships to maximize the reach of consumer and business education campaigns.

This goal ensures that the FTC maximizes its reach to consumers and businesses by partnering with other groups and providing free bulk quantities of education materials via an online order system. These other groups often distribute the education materials directly to their constituents. The performance goal therefore helps determine the extent to which the FTC's education tools reach consumers.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	12,300	11,250	11,500	11,500	12,500
Actual	11,236	12,205	16,321	14,509	12,944
Status	Not Met	Exceeded	Exceeded	Exceeded	Exceeded

FY 17 Highlights: The FTC exceeded the number of unique partners ordering consumer and business education materials by conducting outreach to partner organizations. This targeted outreach included promoting publications to groups serving consumers in rural communities, military service members, and Spanish-speaking audiences. The FTC also leveraged cost-effective outlets, such as social media, and promoted bulkorder.ftc.gov through consumer.ftc.gov, which had almost 30 million visits in FY 2017. In FY 2017, 22% of partner organizations were repeat customers and placed more than one order. In total, the FTC fulfilled 20,537 orders for printed materials.

Performance Goal 1.2.3: Number of workshops and conferences the FTC convened that address consumer protection problems.

This goal ensures that enforcement and education efforts are augmented by encouraging discussions among all interested parties, through careful study of novel or challenging consumer protection issues.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	8	12	12	10	10
Actual	12	10	17	12	19
Status	Exceeded	Not Met	Exceeded	Exceeded	Exceeded

FY 17 Highlights: In FY 2017, the FTC convened or co-sponsored 19 workshops and conferences that addressed consumer protection problems. These events brought together approximately 7,200 participants.

Performance Goal 1.2.4: Number of consumer protection reports the FTC released.					
This goal 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 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	N/A	10	10	8	6
Actual	12	6	6	8	10
Status	N/A	Not Met	Not Met	Met	Exceeded
FY 17 Highlights: In FY 2017, the FTC published ten consumer protection-related reports in the areas of cigarettes, smokeless tobacco, homeopathic medicine and advertising, cross-device tracking, “sharing” economy issues, email authentication, and the importance of testing disclosures. The agency published two annual reports – the Do-Not-Call Registry and the Consumer Sentinel Network Data Book.					

Other Indicators

Indicator 1.2.IND.1: Consumer protection messages accessed in print.					
The indicator helps ensure that the agency is engaging in a sufficient amount of educational activity. (Numbers are in millions.)					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	11.8	13.7	17.4	15.3	14.5
FY 17 Highlights: The FTC distributed 14.5 million publications in FY 2017, including 3.1 million publications about identity theft, such as: <ul style="list-style-type: none"> • 1 million copies of Identity Theft: What to Know, What to Do • 500,000 copies of Identity Theft: A Recovery Plan • 460,000 copies of Data Breaches - What To Know, What To Do • 425,000 copies of Child Identity Theft. The agency also distributed 2.1 million Pass It On publications, targeting older consumers, and Spanish-language publications accounted for 1.4 million of the FY 2017 total.					

Indicator 1.2.IND.2: Social media subscribers and followers					
The indicator helps gauge the FTC’s online presence, which enables the agency to reach more consumers with its educational messages.					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	152,548	263,568	366,876	398,792	481,064
FY 17 Highlights: Total social media and email subscribers increased by 20.6% in FY 2017, compared to an 8.7% increase between FY 2015 and FY 2016.					

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

FY 2017 Strategic Objective Progress Update

Progress Made

In the enforcement area, the FTC worked closely with its federal, state, and 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 Western Union case – an enforcement action the FTC brought with Department of Justice and shared and received information from the U.S. Postal Inspection Service and state Attorney General Offices. The FTC also worked closely with its federal, state and local partners on numerous investigations, including the Joint Dietary Supplement Sweep, the Joint Robocall Initiative, and the Volkswagen case that the FTC brought with Department of Justice, Environmental Protection Agency, and the California Attorney 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, including several technical support scams. For example, the FTC worked with both domestic (state Attorney General Offices) and foreign partners as part of Operation TechTrap, a crackdown on tech support scams that included enforcement actions by authorities in India as well as outreach activities by consumer protection authorities in Australia and Canada. The FTC also organized two capacity-building workshops with Indian and foreign law enforcement to address tech support scams originating in India.

The FTC successfully collaborated with the Office of the Privacy Commissioner of Canada and the Australian Information Commissioner in investigating a massive data breach and deceptive practices related to the Canada-based adult dating website AshleyMadison.com, which had members in nearly 50 countries. The Australian and Canadian agencies contributed to the FTC's investigation and reached their own settlements with the company. The three agencies received the Chair's Grand Award for Innovation at the International Conference of Data Protection and Privacy Commissioners for this collaboration.

The agency also continued to strengthen its ties with international enforcement networks and deepen its cooperation relationships with bilateral enforcement partners. It strengthened enforcement cooperation on cross-border fraud matters by signing a memorandum of understanding with the Royal Canadian Mounted Police (RCMP) to facilitate increased enforcement cooperation on cross-border fraud.

Carrying out its enforcement role in two cross-border data transfer frameworks, the FTC obtained three settlement orders with companies that allegedly misrepresented their participation in the APEC Cross-Border Privacy Rules System (APEC CBPR) and three orders with companies that allegedly misrepresented their participation in the

EU-U.S. Privacy Shield Framework. Both systems facilitate data transfers while protecting the privacy of consumer data. The FTC also affirmed its commitment to enforce a third data transfer mechanism, the Swiss-U.S. Privacy Shield Framework.

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 worked with more than 60 other countries that are part of ICPEN to launch a new website that helps consumers to find information more easily on how to avoid scams and file complaints in cross-border disputes and also provides network members with new tools to share intelligence securely on emerging fraudulent, deceptive, and unfair commercial practices. The FTC also helped to organize the first GPEN enforcement workshop, which focused on building investigative and enforcement skills for privacy regulators.

In the policy and technical assistance area, the agency engaged extensively on consumer policy issues in international organizations such as the Organisation for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD). 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 worked 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 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.

In the consumer protection advocacy area, the FTC submitted comments to the Federal Communications Commission (FCC) on: the FCC proposal to expand provider-based call-blocking authority in order to eliminate unlawful robocalls; the FCC proposal to restore FTC jurisdiction related to broadband Internet access services; and the FCC's proposed rulemaking to protect consumers from unauthorized carrier changes and related unauthorized charges. The FTC also filed comments to the National Highway Traffic Safety Administration (NHTSA) regarding its request for comments on proposed industry guidance for highly automated vehicles. The FTC submitted comments to the Colorado Supreme Court on amending Colorado's rules governing professional conduct to clarify that attorneys may advise or supervise law enforcement officers and other engaged in lawful undercover activities. In addition, staff filed comments regard-

ing a National Telecommunications and Information Administration (NTIA) draft template designed to be used by industry participants to communicate their policies on disclosing security vulnerabilities. The FTC also submitted public comments to a working group convened by NTIA that is developing guidance about ways for Internet of Things (IoT) device manufacturers to better inform consumers about security updates related to the 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. Political turmoil in certain regions can also make cooperation on particular issues more difficult.

Performance Gaps

Although FTC shared evidence in 359 matters, the FTC fell short in meeting its target for 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.” 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.

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 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	N/A	Baseline	375	375	375
Actual	N/A	424	435	387	359
Status	N/A	N/A	Exceeded	Exceeded	Not Met
FY 17 Highlights: In FY 2017, BCP shared information with other U.S. federal, state, and local government agencies in 117 investigations or cases. In FY 2017, BCP received information from other U.S. federal, state, and local government agencies in 242 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.

This goal ensures that the agency is leveraging resources with foreign agencies and organizations to increase the effectiveness of the FTC's enforcement actions.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	30	40	40	40	40
Actual	61	45	58	53	50
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded

FY 17 Highlights: In FY 2017, the FTC cooperated in 50 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, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC.

This goal tracks policy advice and/or technical assistance the FTC provides to foreign consumer and privacy agencies through seminars, substantive consultations, written submissions, comments, and visits by foreign officials.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	N/A	60	60	60	60
Actual	N/A	60	76	66	66
Status	N/A	Met	Exceeded	Exceeded	Exceeded

FY 17 Highlights: In FY 2017, the FTC provided policy input to foreign consumer protection and privacy agencies in 66 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 3 represent International Fellows from Ukraine, Pakistan, and South Africa, who worked alongside FTC staff in support of the consumer protection mission.

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

This goal will evaluate the success of consumer protection advocacies filed by the FTC.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	55.0%	55.0%	55.0%	55.0%	60.0%
Actual	85.7%	81.8%	100%	85.7%	*
Status	Exceeded	Exceeded	Exceeded	Exceeded	*

FY 16* Highlights: In FY 2016, 6 of 7 consumer protection advocacy matters filed with federal and state legislatures, agencies, or courts were successful in whole or in part.

*Results for this measure are reported a year behind. FY 2017 data will be available in FY 2018

Other Indicators

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

The indicator is a measure of the outputs of the agency’s advocacy activities relating to consumer protection matters. This indicator includes both advocacy comments and amicus briefs.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	12	10	9	8	7

FY 17 Highlights: In FY 2017, staff filed 7 consumer protection advocacy comments in state and federal rulemaking matters.

Indicator 1.3.IND.2: Percentage of survey respondents finding the FTC’s advocacy comments to be “useful.”

The indicator helps assess the effect of consumer protection advocacy comments based on survey respondents’ feedback

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	100%	100%	100%	75.0%	100%

FY 17 Highlights: Staff surveyed the seven recipients of consumer protection advocacy comments, three responded. All three responses found the FTC’s advocacy work “useful.”

STRATEGIC GOAL 2: MAINTAIN COMPETITION

The FTC's efforts to maintain competition focus on preventing anticompetitive mergers and other anticompetitive business practices in the marketplace. This work is critical to protect and strengthen free and open markets – the cornerstone of a vibrant economy. Vigorous competition results in lower prices, higher quality goods and services, and innovation leading to beneficial new products and services. By enforcing the antitrust laws, the FTC helps to ensure that consumers benefit from competition.

In addition to enforcement, the FTC also undertakes competition policy research and development activities to improve agency decision-making in areas such as law enforcement and competition advocacy. The FTC also promotes competition through advocacy and education initiatives. These initiatives deter anticompetitive mergers and business practices and reduce business' costs of compliance with antitrust laws. Advocacy encourages governmental actors at the federal, state, and local levels to evaluate the effects of their policies on competition and ensure such policies promote consumer benefit. In addition, the FTC's international program supports the FTC's competition mission through its engagement with competition agencies in other countries, both directly and through international networks.

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

FY 2017 Strategic Objective Progress Update

Progress Made

In FY 2017, the agency concluded 27 matters in which it took action to maintain competition, focusing on markets with the greatest impact on American consumers. The fiscal year began with a significant development for the agency's enforcement work in the health care sector, with the conclusion of two health care provider matters that saw different appellate courts overturn district court rulings denying the Commission's requests for preliminary injunction. These matters, both of which resulted in the parties abandoning their proposed transactions, validated the Commission's approach to geographic and product market definition, undergirding future enforcement efforts in important hospital markets. The Commission also authorized a preliminary injunction action in to prevent the merger of rival online fantasy sports operators, DraftKings and FanDuel. The parties abandoned their proposed merger as a result of the Commission's challenge.

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, the Bureau of Competition renewed its focus on leveraging our experiences with that of our sister antitrust enforcement agency, the Department of Justice's Antitrust Division through shared programs. 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 case load 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 adjust to recent 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 in healthcare markets.

Performance Gaps

In fiscal year 2017, the FTC failed to meet the target established for performance goal 2.1.5, a measure which assesses estimated consumer savings from the nonmerger program as a percentage of the program's costs. There are two primary reasons for the missed target. First, in fiscal year 2017, the FTC substantially raised the target for this measure to attempt to account for the landmark Cephalon, Inc. stipulated order from FY 2015, the record settlement of which had the impact of making the previous target too attainable. Second, this year saw significant litigation in conduct matters, which drove an increase in costs for the program, resulting in a lowering of the savings/costs ratio.

Performance Goals

 **Key Performance Goal 2.1.1:** Percentage of actions taken to maintain competition in substantial merger and nonmerger investigations

This goal encourages the agency to use its resources wisely in bringing appropriate investigations and in crafting and pursuing effective resolutions, whether through litigation or settlement. Success on this performance measure indicates that the FTC is (i) effectively screening HSR reported transactions and identifying other mergers and conduct practices that raise significant antitrust concerns warranting further investigation and possible enforcement action while (ii) allowing procompetitive and competitive neutral mergers and conduct to consumers to proceed unimpeded.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	40%-60%	40%-60%	40%-60%	40%-60%	40%-60%
Actual	42.2%	57.1%	57.7%	54.6%	49.1%
Status	Met	Met	Met	Met	Met

FY 17 Highlights: The agency took action to maintain competition in 27 of the 55 substantial merger and nonmerger investigations concluded in FY 2017. These 27 actions include 13 consent orders, 1 merger transaction that was withdrawn after the Commission authorized a preliminary injunction (*Draft Kings/FanDuel*), 2 matters in which the parties abandoned their transaction after the Commission successfully obtained a preliminary injunction on appeal in federal circuit court (*Pinnacle/Hershey* and *Advocate/NorthShore*), and 6 cases in which the parties abandoned their transaction due to antitrust concerns raised during the investigation.

The agency concluded 22 merger actions in second request or compulsory process investigations in a broad array of industries such as pharmaceuticals and medical devices, healthcare providers, industrial goods and chemicals, consumer goods and services, retail pharmacies, technology, and energy.

The FTC also concluded five actions against anticompetitive conduct that the agency had reason to believe harmed consumers or competition in industries such as pharmaceuticals, healthcare providers, and professional associations and services.


Of the 28 substantial investigations that were closed without an action, 13 involved nonmerger matters and 15 were merger matters.

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

This goal ensures that the agency challenges the mergers that cause the greatest consumer injury by targeting the agency’s resources effectively and efficiently. Performance Goals 2.1.2 and 2.1.4 assess the consumer benefits attributable to the FTC’s enforcement actions. (Numbers shown in millions, except where noted.)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	\$500.0	\$900.0	\$900.0	\$900.0	\$2.1 billion
Actual	\$564.2	\$1 billion	\$2.4 billion	\$2.6 billion	\$2.6 billion
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded

FY 17 Highlights: The FTC saved consumers on average an estimated \$2.6 billion per year through its merger actions to maintain competition in the past five years. This year, merger actions in the pharmaceutical, retail, healthcare, and technology sectors 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 goal ensures that the agency challenges the mergers that cause the greatest consumer injury by targeting the agency’s resources effectively and efficiently. Performance Goals 2.1.3 and 2.1.5 serve as indicators of the competition mission’s return on investment for consumers.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	1,300.0%	1,300.0%	2,600.0%	2,600.0%	4,200.0%
Actual	1,382.2%	2,505.2%	5,131.6%	4,640.3%	5,563.0%
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded


FY 17 Highlights: In FY 2017, the FTC saved consumers more than 55 times the amount of resources devoted to the merger program. As mentioned in Performance Goal 2.1.2, merger actions in the pharmaceutical, retail, healthcare, and technology sectors 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 goal ensures that the agency challenges conduct that causes the greatest consumer injury by targeting the agency’s resources effectively and efficiently. Performance Goals 2.1.2 and 2.1.4 assess the consumer benefits attributable to the FTC’s enforcement actions. (Numbers are shown in millions, except where noted.)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	\$450.0	\$440.0	\$80.0	\$80.0	\$900.0
Actual	\$449.8	\$419.0	\$1.0billion	\$1.0billion	\$1.1billion
Status	Not Met	Not Met	Exceeded	Exceeded	Exceeded

FY 17 Highlights: From FY 2013 to FY 2017, 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 pharmaceutical industry resulted in considerable consumer savings, 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 goal ensures that the agency challenges conduct that causes the greatest consumer injury by targeting the agency’s resources effectively and efficiently. Performance Goals 2.1.3 and 2.1.5 serve as indicators of the competition mission’s return on investment for consumers.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	2,000.0%	1,850.0%	400.0%	400.0%	4,000.0%
Actual	2,296.0%	2,028.3%	4,863.3%	5,228.6%	3,959.3%
Status	Exceeded	Exceeded	Exceeded	Exceeded	Not Met

FY 17 Highlights: In FY 2017, the FTC saved consumers more than 39 times the amount of resources it devoted to the nonmerger enforcement program. As mentioned under Performance Goal 2.1.4, nonmerger actions in the pharmaceutical industry resulted in considerable consumer savings this year. 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 highlights the effective and efficient use of FTC resources by measuring the size of the relevant product markets in which the agency took enforcement action. At the same time, the FTC acknowledges the important educational and deterrent roles that competition enforcement actions in smaller markets play in maintaining and promoting competition in larger markets.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	\$21.0 billion	\$18.6 billion	\$63.3 billion	\$69.8 billion	\$88.3 billion

FY 17 Highlights: In FY 2017, the FTC took action to challenge anticompetitive mergers and acquisitions in markets totaling more than \$88.3 billion in revenue, demonstrating that the FTC directs its resources to address antitrust violations that have the greatest impact on consumers.

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 highlights the effective and efficient use of FTC resources by measuring the size of the relevant product markets in which the agency took enforcement action. At the same time, the FTC acknowledges the important educational and deterrent roles that competition enforcement actions in smaller markets play in maintaining and promoting competition in larger markets.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	\$13.1 billion	\$10.9 billion	\$76.1 billion	\$69.8 billion	\$77.1 billion

FY 17 Highlights: In FY 2017, the FTC took action to challenge anticompetitive business practices in markets totaling more than \$77 billion in revenue, demonstrating that the FTC directs its resources to address antitrust violations that have the greatest impact on consumers.

Objective 2.2: Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers.

FY 2017 Strategic Objective Progress Update

Progress Made

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 2017, the agency hosted three public workshops in broad areas of competition policy, including one event in connection with the Economic Liberty Task Force related to occupational license portability and a second event that examined competition, innovation, and consumer protec-

tion issues raised by hearing health and technology, especially hearing aids. The FTC also held its Ninth Annual Microeconomics Conference.

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 2017, staff filed 16 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 state granted exemptions to the antitrust laws, such as certificates of public advantage. Staff also submitted amici briefs to the U.S. Supreme Court (*SmithKline Beecham Corp. v. King Drug Co. of Florence*, *Visa Inc. v. Sam Osborn* and *Visa Inc. v. Mary Stoumbos*) and to the U.S. Court of Appeals for the First Circuit (*Amphastar Pharmaceuticals Inc. v. Momenta Pharmaceuticals, Inc.*), and Third Circuit (*Mylan Pharmaceuticals Inc. v. Warner Chilcott PLC*).

The agency also continued to progress in its efforts to advance the public understanding of its 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: (1) [*Patent Assertion Entity Activity: An FTC Study*](#), which examined non-public information and data covering the period 2009 to 2014 from 22 PAEs, 327 PAE affiliates, and more than 2100 holding entities (those entities that did not assert patents) obtained through compulsory process orders (subpoenas) using the [*agency’s authority under Section 6\(b\) of the FTC Act*](#); and (2) [*The “Sharing” Economy: Issues Facing Platforms, Participants, and Regulators*](#), which details how buyers and sellers are increasingly using internet-connected devices – smartphones and tablets – to access a matchmaking platform that allows them to search for new services, secure a price point, and complete a transaction.

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 in the areas of healthcare, technology, and intellectual property. The agency must continue to use its limited resources to expand its advocacy and outreach efforts despite 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.

Performance Gaps

The agency missed its target on Performance Goal 2.2.1, which measures the number of competition workshops and other events held by the agency. This performance gap will be short lived as the FTC held several workshops in the first quarter of FY 2018, putting the agency on pace to exceed our target in FY 2018.

Performance Goals

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

This goal encourages the FTC to use non-investigative tools such as workshops, seminars, conferences, and hearings on significant competition-related issues to benefit consumers.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	4	4	4	4	4
Actual	4	4	4	3	3
Status	Met	Met	Met	Not Met	Not Met

FY 17 Highlights: In FY 2017, the FTC held three competition and economics-related conferences and workshops:

- In July 2017, as part of its renewed focus on occupational licensing issues, the FTC’s Economic Liberty Task Force held the first in a series of roundtable events on reducing barriers to occupational licensing through enhanced intra-state portability.
- In April 2017, the agency also held a public workshop entitled, “Now Hear This,” bringing together researchers, healthcare providers, and consumer and industry representatives, to examine the competition, innovation, and consumer protection issues raised in the hearing health services and technology industries.
- The FTC’s Ninth Annual Microeconomics Conference, held in November 2016, brought together scholars and leaders from universities throughout the world, other government agencies, and other organizations, to discuss antitrust, consumer protection, and policy issues that FTC economists encounter in their work.

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

This goal will track research, reports, and studies that enhance consumer and business knowledge of competition issues.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	8	8	8	8	8
Actual	14	11	9	9	11
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded

FY 17 Highlights: In FY 2017, the FTC published reports, studies, and working papers on several important topics including: patent assertion entities, and the Sharing Economy, as well as annual reports on agreements filed with the FTC under the Medicare Prescription Drug, Improvement, and Modernization Act and on market concentration in the ethanol industry.

In February 2017, the Commission issued a report following its multi-year review of merger remedies, which validated the Commission’s approach to preserving competition when companies merge.

The Commission, with the Department of Justice Antitrust Division, updated their International Antitrust and Intellectual Property Guidelines. The two agencies also issued joint guidance for businesses on the application of antitrust principles to employee hiring and compensation, and the post-hurricane relief efforts.

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

This goal will evaluate the success of competition advocacies filed by the FTC.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	55.0%	55.0%	55.0%	55.0%	60.0%
Actual	75.0%	93.3%	80.0%	64.7%	*
Status	Exceeded	Exceeded	Exceeded	Exceeded	*

FY 16* Highlights: In FY 2016, 11 of 17 competition advocacy matters filed with federal and state legislatures, agencies or courts were successful, in whole or in part.

*Results for this measure are reported a year behind. FY 2017 data will be available in FY 2018

Other Indicators

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

The indicator is a measure of the outputs of the agency’s advocacy activities relating to competition matters. This indicator includes both advocacy comments and amicus briefs.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	19	16	17	26	16

FY 17 Highlights: In FY 2017, staff filed 16 competition advocacy comments, including 12 to federal and state regulators, individual legislators, and other organizations, and 4 amicus briefs.

Indicator 2.2.IND.2: Percentage of survey respondents finding the FTC’s advocacy comments to be “useful.”

The indicator helps assess the effect of competition advocacy comments based on survey respondents’ feedback.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	100%	100%	100%	83.3%	100%

FY 17 Highlights: Staff surveyed the recipients of competition advocacy comments this fiscal year and had five responses. All five responses found the FTC’s advocacy work “useful.”

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

FY 2017 Strategic Objective Progress Update

Progress Made

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 2017 included:

- Improving Case Cooperation and Promoting Convergence:** The U.S. antitrust agencies engaged with the European Commission on policy issues of common interest and shared merger enforcement techniques and experience with staff from the Canadian Competition Bureau and COFECE, Mexico’s antitrust commission. The FTC continued to develop tools, facilitate case cooperation, and engage more frequently in deeper cooperation and coordination on individual matters with foreign counterparts. For example, the FTC cooperated in its review of the Abbott/St. Jude merger with competition agencies in Brazil, Canada, China, the European Union, Israel, Korea, and South Africa, and reached consistent outcomes. 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 has hosted 75 competition officials from 29 jurisdictions since the program's inception, in 2007.


- **International Competition Network (ICN):** The agency: serves as a Steering Group member; co-chairs the Merger Working Group, leading projects to develop recommended practices for merger notification and analysis, as well as practical guidance on merger investigative techniques; hosted the ICN's 2017 Merger Workshop; leads the ICN's implementation efforts, continuing to promote implementation of the ICN's Guidance on Investigative Process, which provides consensus principles and practices of procedural fairness in antitrust investigations and its work on merger notification and review procedures; and leads the ICN project to produce online training materials on competition law and practice.
- **Multilateral Fora:** The agency continued its active participation and leadership in the OECD, APEC, UNCTAD, and Inter-American Competition Alliance, in all of which it promotes cooperation and convergence. For example, the agency played a key role in developing the OECD Competition Committee's long-term themes on competition in the digital economy and market studies.
- **Relations with Newer Agencies:** Through dialogue with the Chinese antitrust agencies and government and consultation with U.S. stakeholders and other U.S. agencies, the FTC addressed issues posed by enforcement of the Chinese Anti-Monopoly Law (AML). This year, the FTC's technical assistance program placed resident advisors in the competition agencies of India, the Philippines, and Ukraine and provided hands-on workshops on investigational skills. The resident advisors' work focused on the application of economic analysis in investigations and merger notification procedures. The FTC also conducted competition workshops in numerous countries, from Argentina to Vietnam, along with regional programs for Africa, Central America, Southeast Asia, and Southeast 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. The FTC also conducted and oversaw an APEC-sponsored series of workshops on procedural fairness.
- **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 Atlantic Free Trade Agreement negotiating team, the U.S. team involved in shaping G20 and G7 materials on digital economy issues, and the U.S. interagency group that addresses U.S.-China economic and trade issues.
- **Revision of the International Antitrust Guidelines:** In light of the growing importance of antitrust enforcement in a globalized economy and the antitrust agencies' increased cooperation with foreign authorities on both policy and investigative matters, the FTC and the U.S. Department of Justice revised the agencies' international guidelines to reflect updates to applicable law and current approaches to these issues. The guidelines were issued on January 13, 2017.

- **State Government Partners:** BC routinely works with states' Attorneys General 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 outside of its control.

Performance Goals

<p> 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.</p>					
<p>This goal tracks the number of cases in which foreign antitrust authorities followed consistent analytical approaches and reached compatible outcomes as a percentage of the total number of cases in which the FTC's cooperation involved at least one substantive contact.</p>					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	90.0%	95.0%	95.0%	95.0%	95.0%
Actual	100.0%	100.0%	100.0%	100.0%	96.0%
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded
<p>FY 17 Highlights: In FY 2017, the FTC had 79 substantive contacts in 38 enforcement matters with counterpart agencies around the world, including in Australia, Austria, Belgium, Brazil, Canada, Chile, China, the European Union, Germany, Hungary, India, Ireland, Israel, Japan, Korea, Mexico, New Zealand, 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 new antitrust agencies begin to assert their jurisdiction and cooperation on unilateral conduct matters expands.</p>					

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, through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, or comments, and with foreign officials when they visited the FTC.

This goal tracks policy advice and technical assistance the FTC provides to foreign competition agencies through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, comments, or hosting of international fellows and interns.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	70	120	120	120	120
Actual	134	161	144	171	160
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded

FY 17 Highlights: In FY 2017, the FTC provided policy advice to foreign competition agencies in 111 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 competition organizations and conferences. The agency also conducted 38 technical assistance missions and hosted eleven officials from foreign agencies as part of our International Fellows Program, in support of the competition mission.

STRATEGIC GOAL 3: ADVANCE ORGANIZATIONAL PERFORMANCE

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

Goal 3 is inherently collaborative, and primarily encompasses key management areas in the FTC: human capital, infrastructure and security, information technology resources, finance and acquisition, and equality of opportunity in employment. These efforts foster leadership and accountability across the agency and establish a culture of customer service, constituent responsiveness, 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 solutions.

Objective 3.1: Optimize resource management and infrastructure.

FY 2017 Strategic Objective Progress Update

Progress Made

- 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 June 2017 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 agency's transition to electronic recordkeeping, the Records and Filings Office (RFO) developed additional records management guidance for Bureau of Competition staff and for Contracting Officer's Representatives (CORs). Parties in FTC administrative litigation now submit virtually all legal filings through the E-filing system. In addition, nearly all public comments in FTC rulemakings and other proceedings that seek public comment are now filed electronically.
- Substantive work on acquisition policies and procedures was completed in FY 2017 to create repeatable processes, improve customer service, and ensure compliance with law and procurement regulations. The FTC completed 15 internal acquisition policies and posted them on a newly developed intranet policy page, fostering a culture of teamwork within and transparency of the acquisition function.
- In September 2017, FMO completely revised the Acquisition Policy section of the FTC's Administrative Manual. The updated policy includes current definitions, roles and responsibilities, and COR education requirements, as well as a description of the overall procurement process.

- 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 the first steps toward modernizing the agency's IT environment by projecting future usage needs and designing a new communications network with greater availability and scalability, which becomes critical as FTC moves more applications and systems to cloud services.
- The FTC continues to upgrade and replace aging, end-of-support equipment and applications to increase user functionality and decrease the risk of downtime, system failures, and security vulnerabilities. In FY 2017, the FTC began projects to upgrade the on-premise Oracle environment, the Windows desktop environment, and critical infrastructure equipment, such as Windows servers and load balancers.
- The FTC awarded contracts to begin the replacement of the agency's e-Discovery support system. These contracts included the purchase and installation of a more robust legal processing platform, upgraded hardware to host the new application, and the award of a new, cloud-based legal review platform. These new tools are expected to increase productivity for the agency's litigation teams through increased availability of critical applications, increased user functionality, and faster data processing.
- FMO implemented an ERM program and documented risk related to achieving 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 in monitoring and updating risk registers to highlight the most significant risk and report to senior management for decision-making.

Challenges or 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.
- Changes in the economy have a direct impact on our agency's ability to attract and retain its workforce. Good job markets have led staff to seek more lucrative opportunities at other higher-paying agencies or in the private sector.
- To properly understand and anticipate network and system performance issues and to quickly and adequately determine the potential causes of degraded system performance, the FTC must enhance its IT monitoring capabilities. Integration, rationalization, and configuration of existing monitoring tools must continue to provide a holistic view of the health and security of FTC IT services.
- The FTC must continue to improve its information technology planning efforts to define next steps for improving system performance and availability. While the

FTC IRM Strategic Plan provides high-level strategic direction, further planning must occur at the service and system level to determine resource and technology requirements and outline projects and tasks critical to achieve the initiatives in the IRM Strategic Plan.

- The FTC will need to develop and implement business process changes to effectively utilize the added capabilities provided by systems for managing information in electronic format.

Performance Goals

Performance Goal 3.1.1: A favorable Continuity of Operations (COOP) rating.					
A COOP rating offers insight into agency preparedness across a wide spectrum of issues related to facility and operations management.					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	75.0%	75.0%	75.0%	75.0%	75.0%
Actual	85.0%	85.0%	90.0%	90.0%	95.0%
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded
FY 17 Highlights: The FTC’s overall score for the Eagle Horizon 2017 COOP exercise represents a strong continued and sustained commitment to the FTC Emergency Preparedness Program. The exercise provided an opportunity to test and evaluate continuity procedures and ensure that effective plans are in place in the event of a major event that disrupts the essential functions of the FTC.					

Performance Goal 3.1.2: Availability of information technology systems.					
This goal addresses the availability of 10 mission-critical IT systems, such as email, telecommunications, Internet access, and mobile devices. Network availability addresses the reliability of the FTC computer and communications systems.					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	99.50%	99.50%	99.50%	99.50%	99.50%
Actual	100.00%	99.98%	99.82%	99.75%	99.70%
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded
FY 17 Highlights: FY 17: The FTC’s information technology services pool averaged 99.70% availability, exceeding the target of 99.50%. While the target was exceeded, there was a slight decrease in uptime from FY 2016 to FY 2017 due to outages in the agency’s Regional Offices and an outage of the agency’s e-mail system in July 2017. Multiple projects are currently underway to address the root causes of these outages.					
Note: Results for this performance measure are presented to two decimals because rounding the number materially changes the result.					

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

The financial statement audit determines whether our financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit also addresses internal controls and compliance with applicable laws and regulations.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
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
Actual	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion
Status	Met	Met	Met	Met	Met

FY 17 Highlights: FY 2017 was the 21st consecutive unmodified opinion on the agency’s annual audit.

Performance Goal 3.1.4: Average number of days for the FTC to release information in response to a simple FOIA request.

This goal tracks the agency’s response time in processing a simple FOIA request for access to public records.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	Baseline	6.0 days	6.0 days	6.0 days	6.0 days
Actual	7.4 days	5.4 days	5.5 days	5.9 days	5.4 days
Status	N/A	Exceeded	Exceeded	Exceeded	Exceeded

Other Indicator

Indicator 3.1.IND1: Performance against the Small Business Administration’s government-wide small business procurement goals.

Achieving the agency’s small business procurement goal demonstrates that its procurements meet or exceed a major federal acquisition standard.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actual	49.5%	45.9%	42.3%	37.6%	41.7%

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

FY 2017 Strategic Objective Progress Update

Progress Made

- **Presidential Management Fellows (PMF) Program:** The FTC implemented the Presidential Management Fellow (PMF) component of the FTC Pathways Program, providing agency officials even greater hiring flexibilities to acquire high-quality talent for the agency. The Pathways Program is a key element of the agency's strategy to implement its future workforce vision. The agency has hired its first Presidential Management Fellow in the Bureau of Consumer Protection and is soliciting Fellows for other rotational opportunities.
- **Phased retirement:** The FTC successfully implemented phased retirement during FY 17 and educated managers and staff on the advantages and disadvantages of the program. Phased retirement is a workplace flexibility tool that allows employees who are retirement eligible to continue to work and provide valuable institutional knowledge to the agency while also exploring retirement life. As a result, the FTC will be able to retain highly skilled professionals while those professionals pass along their knowledge to assigned mentees.
- **Voluntary Separation Incentive Payments Authority (VSIP) and Voluntary Early Retirement Authority (VERA):** As a part of the President's initiative to reform the Federal Government and reduce the Federal Civilian Workforce, the Federal Trade Commission sought and received authority to offer VSIP and VERA to targeted occupational categories. The key strategy the FTC will use to implement its future workforce vision is to reshape vacated positions to target recruitment of individuals who possess the updated skill sets and competencies that have been identified through management review. Utilizing this authority, the agency expects to operate even more effectively in achieving its missions going forward.
- **Onboarding:** The FTC redesigned new employee onboarding with an emphasis on employee engagement. The first phase of the onboarding initiative included a secure electronic portal to allow new employees to complete their personal documentation online. Once completed, forms go directly to the Federal Personnel and Payroll System. The first day's orientation focuses on providing new employees with substantive information to maximize their productivity and give them a sense of belonging.
- **Security Process:** FTC changed the security process for new employees, improving the security of the agency without a noticeable increase of the time to hire. The new process requires the completion of the suitability determination prior to the entrance-on-duty date of new staff. This includes completing an online privacy and security orientation, fingerprinting, and security questionnaire. The changes to this process not only allow for a smoother transition to federal service for incoming employees but also keeps the agency more secure overall.

- The 2017 Federal Employee Viewpoint Survey (FEVS):** The FTC ranked extraordinarily well compared to 16 other departments and agencies with 1,000 or more employees. The FTC ranked the highest on OPM’s Employee Engagement Index, with an overall rating of 83% (an increase of 1% from the previous year), as compared to 67% on average Government-wide. The FTC also ranked first in OPM’s IQ Score, with an overall rating of 78% (an increase of 3% from last year), as compared to 60% on average Government-wide. The IQ Score measures the level of inclusiveness of an organization. The FTC Global Satisfaction Index (employees’ satisfaction with their jobs, pay, and organizations) score was 76% (an increase of 2% from 2016), as compared to the Government-wide average of 64%. Survey results confirm that the FTC is achieving the “Cultivate a High-Performing, Diverse, and Engaged Workforce” objective in its Strategic Plan.

Challenges or Barriers

In order to address continuing challenges in recruitment, retention, and succession planning, the FTC is implementing programs that will leverage technology and reshape the agency workforce. The agency is using the VERA and VSIP flexibilities granted to it as part of the agency’s overall strategic plan to ensure that it has the right people in the right jobs, closes critical skill gaps, and transforms its workforce to meet changing mission needs. As opposed to reducing the number of employees, the agency is using its VERA and VSIP authorities to accelerate the acquisition of a contemporary workforce skill set that can meet the challenges of quickly evolving marketplace dynamics, technological innovation, and changing consumer needs and experiences. By reshaping workforce competencies and skills across the agency, the FTC will be better positioned to take advantage of efficiencies that can be achieved through technological advancements and streamlined business processes to more effectively serve the nation’s consumers.

Performance Goals

Performance Goal 3.2.1: FTC achieves a high ranking in the “Best Places to Work in the Federal Government.”					
The “Best Places to Work in the Federal Government” performance goal is a tool for ensuring that employee satisfaction is a top priority for managers and leaders. The FTC is not only measured on overall employee satisfaction, as tracked by the other two performance goals, but is scored in 10 workplace categories, such as effective leadership, employee skills/mission match, pay, teamwork and work/life balance.					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	Baseline	Within the top 10 of mid-size agencies	Within the top 10 of mid-size agencies	Within the top 10 of mid-size agencies	Within the top 10 of mid-size agencies
Actual	Ranked 4th	Ranked 4th	Ranked 4th	Ranked 5th	Ranked 4th
Status	N/A	Met	Met	Met	Met
FY 17 Highlights: In 2017, the FTC ranked 4th among mid-size federal government agencies in the “The Best Place to Work” rankings. FTC scored 81.4, a 3.1 point increase from its 2016 score of 78.3.					

Key Performance Goal 3.2.2: The extent employees believe the FTC has the talent necessary to achieve organizational goals.

The FTC seeks employee feedback on the extent to which the FTC has the right talent in the right positions at the right time to carry out the mission.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	Exceed 56%	Exceed 55%	Exceed 57%	Exceed 58%	Exceed 59%
Actual	69%	70%	72%	74%	77%
Status	Met	Met	Met	Met	Met

FY 17 Highlights: After the agency facilitated the update and implementation of the FTC Pathways Programs to include the ability to use the Recent Graduates and Presidential Management Fellow (PMF) components (along with the already used Intern program), the Bureau of Consumer Protection hired the agency’s first PMF to work in the Division of Consumer and Business Education. This policy change provides agency officials with greater hiring flexibilities in acquiring high quality talent for the agency.

Performance Goal 3.2.3: The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.

The FTC seeks employee feedback on the extent to which the FTC makes employees feel they belong and are uniquely valued.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	N/A	Exceed 56%	Exceed 57%	Exceed 58%	Exceed 60%
Actual	N/A	68%	70%	75%	78%
Status	N/A	Met	Met	Met	Met

FY 17 Highlights: The FTC’s agency-wide Diversity Council continued to develop substantive training opportunities and programmatic activities that fostered an engaged workforce environment. In addition, the Office of Equal Employment Opportunity and Workforce Inclusion, began delivering civil rights-focused training across the organization, which discussed unconscious bias, micro-inequities, and managing diversity in the workplace. The FTC’s revamped onboarding process includes a presentation by EEOWI to ensure that new employees understand that the agency’s culture is open, accepting, and celebratory of the employees’ diversity. Moreover, the FTC maintained a full calendar of cultural emphasis month activities that spanned the gamut – presentations by Federal judges and professionals from the Smithsonian to a jazz band, and employee-led potluck luncheons in celebration of Black History Month and Hispanic/Latino Heritage Month.

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ANNUAL PERFORMANCE PLAN







Federal Trade Commission Strategic Plans 2014 to 2018 and 2018 to 2022: A Comparison






FY 2014 – 2018 Strategic Plan	FY 2018 – 2022 Strategic Plan
<p>Mission</p> <p>Working to protect consumers by preventing anticompetitive, deceptive and unfair business practices, enhancing informed consumer choice and public understanding of the competitive process, and accomplishing this without unduly burdening legitimate business activity.</p>	<p>Protecting consumers and competition by preventing anticompetitive, deceptive, and unfair business practices through law enforcement, advocacy, and education without unduly burdening legitimate business activity.</p>
<p>Vision</p> <p>A vibrant economy characterized by vigorous competition and consumer access to accurate information.</p>	<p><i>No Change</i></p>
<p>Strategic Goals</p> <p>Goal 1: Protect Consumers</p> <p>Goal 2: Maintain Competition</p> <p>Goal 3: Advance Organizational Performance</p>	<p>Goal 1: Protect consumers from unfair and deceptive practices in the marketplace.</p> <p>Goal 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes.</p> <p>Goal 3: Advance the FTC’s performance through excellence in managing resources, human capital, and information technology.</p>



GOAL 1: Protect consumers from unfair and deceptive practices in the marketplace.	
OBJECTIVES	
1.1. Identify and take actions to address deceptive or unfair practices that harm consumers	<i>No Change</i>
1.2. Provide the public with knowledge and tools to prevent harm to consumers	1.2. Provide consumers and businesses with knowledge and tools that provide guidance and prevent harm
1.3. Collaborate with domestic and international partners to enhance consumer protection	<i>No Change</i>

GOAL 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes.	
OBJECTIVES	
2.1. Identify and take actions to address anticompetitive mergers and practices that harm consumers	2.1. Identify and take actions to address anticompetitive mergers and practices
2.2. Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers	2.2. Engage in effective research, advocacy, and stakeholder outreach to promote competition and advance its understanding
2.3. Collaborate with domestic and international partners to preserve and promote competition	<i>No change</i>




GOAL 3: Advance the FTC’s performance through excellence in managing resources, human capital, and information technology.	
OBJECTIVES	
3.1. Optimize resource management and infrastructure	<i>No change</i>
3.2. Cultivate a high-performing, diverse, and engaged workforce	<i>No change</i>
	3.3. Optimize technology and information management that supports the FTC mission




GOAL 1: Protect consumers from unfair and deceptive practices in the marketplace.	
MEASURES	
1.1.1. Percentage of the FTC’s consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC.	<i>No Change</i>
1.1.2. Rate of customer satisfaction with the FTC’s Consumer Response Center	<i>No Change</i>
 1.1.3. Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.	 1.1.3. Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement. (3-year rolling average)
 1.1.4. Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury	 1.1.4. Amount of money returned to consumers or forwarded to the U.S. Treasury resulting from FTC enforcement actions. (3-year rolling average)
 1.2.1. Rate of consumer satisfaction with FTC consumer education websites.	1.2.1. Rate of consumer satisfaction with FTC consumer education websites.
1.2.2. Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns.	Changed to an Indicator.
1.2.3. Number of workshops and conferences the FTC convened that address consumer protection problems.	1.2.2. <i>Numbering change only.</i>
1.2.4. Number of consumer protection reports the FTC released.	1.2.3 <i>Numbering change only.</i>
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.	<i>No Change</i>
 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.	<i>No Change</i>
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, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC.	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.
1.3.4 Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	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.


GOAL 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes.	
MEASURES	
 2.1.1. Percentage of actions to maintain competition in substantial merger and nonmerger investigations.	 2.1.1. Percentage of full merger and nonmerger investigations in which the FTC takes action to maintain competition.
2.1.2. Consumer savings through merger actions taken to maintain competition. (5-year rolling average)	<i>No Change</i>
 2.1.3. Total consumer savings compared to the amount of FTC resources allocated to the merger program. (5-year rolling average)	<i>No Change</i>
2.1.4. Consumer savings through nonmerger actions taken to maintain competition. (5-year rolling average)	<i>No Change</i>
 2.1.5. Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program. (5-year rolling average)	<i>No Change</i>
2.2.1. Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.	<i>No Change</i>
2.2.2. Number of reports and studies the FTC issued on key competition-related topics.	<i>No Change</i>
2.2.3. Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	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.
 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.	<i>No Change</i>
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 through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions or comments, and with foreign officials when they visit the FTC.	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.


GOAL 3: Advance the FTC’s performance through excellence in managing resources, human capital, and information technology.	
MEASURES	
3.1.1. A favorable Continuity of Operations (COOP) Rating.	<p>3.1.1 The extent to which the FTC is prepared to protect people and property and to continue mission essential operations during emergencies.</p> <p>a. Achieve a favorable COOP rating.</p> <p>b. Number of products and activities related to Physical Security that inform staff and provide opportunities to practice emergency procedures.</p>
	3.1.2 Percentage of survey respondents who are satisfied or very satisfied with the timeliness of administrative operations.
3.1.2. Availability of information technology systems.	<i>Moved to new Objective 3.3</i>
3.1.3. Achieve a favorable (unmodified) audit opinion from agency’s independent financial statement auditors.	<i>No Change</i>
3.1.4. Average number of days for the FTC to release information in response to a simple FOIA request.	<i>Removed</i>
	3.1.4. Percentage of new entrant, annual, and termination Public Financial Disclosure Reports that are filed within the required timeframe.
	3.1.5. Percentage of contract actions awarded within FTC’s established Procurement Action Lead Time.
3.2.1. FTC achieves a high ranking in the “Best Places to Work in the Federal Government”	3.2.1. The extent to which the FTC employees consider their agency to be a best place to work.
 3.2.2. The extent employees believe the FTC has the talent necessary to achieve organizational goals.	<i>Removed</i>
3.2.3. The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.	3.2.2. <i>Numbering change only.</i>
	 3.2.3. The extent to which employees believe the FTC cultivates engagement throughout the agency.
	3.2.4. The extent to which employees believe FTC management promotes a results-oriented performance culture.
<i>Previously 3.1.2.</i>	3.3.1. Availability of information technology systems.
	3.3.2. Percentage of IT spend on Provisioned IT Services.
	3.3.3. Achieve a favorable rating on the FTC Cybersecurity Index.
	3.3.4. Percentage of permanent records that are managed electronically.

Annual Performance Goals: Fiscal Years 2015 to 2019
 For additional performance information, please see the reports available at
<http://www.ftc.gov/about-ftc/performance>.

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2019 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.	93.8%	91.2%	94.4%	80.0%	80.0%
Performance Goal 1.1.2 Rate of customer satisfaction with the FTC's Consumer Response Center. (A) Website (B) Call Center	(A) 81.0 (B) 82.0	(A) 81.0 (B) 83.0	(A) 80.0 (B) 84.0	(A) and (B) Meet or exceed average citizen satisfaction rate, as published in the E-Government Satisfaction Index	
 Performance Goal 1.1.3 Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.	N/A	N/A	N/A	650.0%	700.0%
 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	N/A	Baseline	TBD
Objective 1.2 Provide consumers and businesses with knowledge and tools that provide guidance and prevent harm.					
 Performance Goal 1.2.1 Rate of consumer satisfaction with FTC consumer education websites.	Data Not Available	76.0	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.	17	12	19	10	
Performance Goal 1.2.3 Number of consumer protection reports the FTC released.	6	8	10	6	

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2019 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.	435	387	359		375
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.	58	53	50		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.	76	66	66		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.	100.0%	85.7%	*		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.					
 Performance Goal 2.1.1 Percentage of full merger and nonmerger investigations in which the FTC takes action to maintain competition.	57.7%	54.6%	49.1%		40.0-70.0%
Performance Goal 2.1.2 Consumer savings through merger actions taken to maintain competition.	\$2.4 billion	\$2.6 billion	\$2.6 billion		\$2.1 billion
 Performance Goal 2.1.3 Total consumer savings compared to the amount of FTC resources allocated to the merger program.	5,131.6%	4,640.3%	5,563%		4,200.0%
Performance Goal 2.1.4 Consumer savings through nonmerger actions taken to maintain competition.	\$1.0 billion	\$1.0 billion	\$1.1 billion		\$900.0 million
 Performance Goal 2.1.5 Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.	4,863.3%	5,228.6%	3,959%		4,000.0%

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2019 Target
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	3	3	4	3
Performance Goal 2.2.2 Number of reports and studies the FTC issued on key competition-related topics.	9	9	11	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.	80.0%	64.7%	*	60.0%	
Objective 2.3 Collaborate with domestic and international partners to preserve and promote competition.					
 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.	100.0%	100.0%	96.0%	95.0%	
Performance Goal 2.3.2 Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or government.	144	171	160	120	
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) 90.0% (B) N/A	(A) 90.0% (B) N/A	(A) 95.0% (B) N/A	(A) 75.0% (B) Baseline	(A) 75.0% (B) TBD
Performance Goal 3.1.2 Percentage of survey respondents who are satisfied with the timeliness of administrative operations.	N/A	N/A	82%**	Baseline	TBD
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 audit 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	Baseline	TBD
Performance Goal 3.1.5 Percentage of contract actions awarded within FTC's established Procurement Action Lead Time (PALT).	N/A	78%	65%	Baseline	TBD

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2019 Target
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.	79.2%	81.2%	82.9%	Exceed the government-wide average results.	
Performance Goal 3.2.2 The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.	70.2%	75.0%	77.8%	Exceed the government-wide average results.	
 Performance Goal 3.2.3 The extent to which employees believe the FTC cultivates engagement throughout the agency.	78.5%	81.5%	82.5%	Exceed the government-wide average results.	
Performance Goal 3.2.4 The extent to which employees believe FTC management promotes a results-oriented performance culture.	65.0%	70.4%	72.9%	Exceed the 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.	N/A	N/A	N/A	99.5%	99.5%
Performance Goal 3.3.2 Percentage of IT spend on Provisioned IT Services.	N/A	N/A	N/A	Baseline	TBD
Performance Goal 3.3.3 Achieve a favorable FTC Cybersecurity Index score.	N/A	N/A	N/A	Baseline	TBD
Performance Goal 3.3.4 Percentage of permanent records that are managed electronically.	N/A	N/A	N/A	Baseline	TBD

*Data for 1.3.4 and 2.2.3 is reported with a one year lag. FY 2017 results will be reported in the FY 2018 APR.

STRATEGIC GOAL 1: PROTECT CONSUMERS FROM UNFAIR AND DECEPTIVE PRACTICES IN THE MARKETPLACE

The FTC protects consumers from unfair and deceptive 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 in order to carry out its broad mission, 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 use 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.

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

Goal Leader: Director, Bureau of Consumer Protection

Strategies

- The FTC targets law enforcement efforts on 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 suing entities that violate federal court and administrative orders obtained by the FTC.

FY 2018-2019 Next Steps and Future Actions for Strategic Objective

- Evaluate whether enforcement activities are tracking the areas of greatest concern and whether there are new practices or technologies that 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.

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. Identifying 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 Goals

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	80%	80.0%	80.0%	80.0%	80.0%
Actual	93.8%	91.2%	94.44%	---	---
Status	Exceeded	Exceeded	Exceeded	---	---

Performance Goal 1.1.2: Rate of customer satisfaction with the FTC's Consumer Response Center.					
This goal measures how satisfied consumers are with the FTC's Consumer Response Center, which is responsible for collecting consumer complaints. Satisfaction is measured separately for consumers filing complaints through online forms, and for those filing complaints through the call center. 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. Consumer complaints help the FTC to identify consumer protection issues and trends in the fast-changing, increasingly global marketplace. (a) Website (b) Call Center					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	(a) 72.0 (b) 72.0	(a) 73.0 (b) 73.0	(a) 73.0 (b) 73.0	(a) and (b): Meet or exceed average citizen satisfaction rate, as published in the E-Government Satisfaction Index	
Actual	(a) 81.0 (b) 82.0	(a) 81.0 (b) 83.0	(a) 80.0 (b) 84.0	---	---
Status	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded	---	---

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 protection law enforcement. Consumer savings is composed of two things: (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. See Performance Goals 2.1.3 and 2.1.5 for similar measures tracking antitrust laws.

Note: While this metric has been reported for several years, beginning in FY 2018 the BCP will report this measure as a 3-year rolling average.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	N/A	N/A	N/A	650.0%	700.0%
Actual	N/A	N/A	N/A	---	---
Status	N/A	N/A	N/A	---	---

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, so the amount of money returned to consumers and forwarded to the U.S. Treasury indicates 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). (Numbers shown in millions.)

Note: While this metric has been reported for several years, beginning in FY 2018 the BCP will report the sum of refund checks cashed by consumers, plus the amount of money paid to the FTC by defendants and forwarded to the U.S. Treasury, either because sending refunds was not feasible or because money was paid as a civil penalty. Therefore, FY 2018 will be considered a new baseline year for Performance Goal 1.1.4

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	N/A	N/A	N/A	Baseline	TBD
Actual	N/A	N/A	N/A	---	---
Status	N/A	N/A	N/A	---	---

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 2015	FY 2016	FY 2017
Actual	7.1	8.4	9.7

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 2015	FY 2016	FY 2017
Actual	88.2%	100%	95.5%

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 2015	FY 2016	FY 2017
Actual	N/A	N/A	N/A

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

**Goal Leaders: Director, Bureau of Consumer Protection;
Director, Bureau of Economics**

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 understand the law so they can comply with it.
- The FTC monitors the marketplace and technological developments to identify emerging consumer protection issues, holds workshops or conferences to examine these issues, and, where appropriate, issues reports analyzing the issues to provide the public with knowledge and tools to prevent consumer harm.

FY 2018-2019 Next Steps and Future Actions for 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, pub-

lication 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 Goals

 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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	73.0	73.0	73.0	Meet or exceed average citizen satisfaction rate, as published in the E-Government Satisfaction Index	
Actual	Data Not Available	76.0	77.0	----	----
Status	----	Exceeded	Exceeded	-----	----

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	12	10	10	10	10
Actual	17	12	19	----	-----
Status	Exceeded	Exceeded	Exceeded	-----	-----

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

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: <https://www.bulkorder.ftc.gov/>. For a measure of the quantity of publications distributed, see Indicator 1.2.IND.2.

	FY 2015	FY 2016	FY 2017
Target	11,500	11,500	12,500
Actual	16,321	14,509	12,944

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 2015	FY 2016	FY 2017
Actual	(a) 17.4 (b) N/A	(a) 15.3 (b) N/A	(a) 14.5 (b) N/A

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 2015	FY 2016	FY 2017
Actual	366,876	398,792	481,064

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

Goal Leaders: Director, Bureau of Consumer Protection; Director, Office of International Affairs; Director, Office of Policy Planning

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 briefs seek to ensure consistent interpretation of the consumer protection statutes in the courts.

FY 2018-2019 Next Steps and Future Actions for Strategic Objective

- Work with international partners to strengthen cooperation among enforcement partners, bilaterally and through multilateral organizations such as the International Consumer Protection Enforcement Network, the Unsolicited Communications Enforcement Network, and the International Mass-Marketing Fraud Network 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.
- 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.
- 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.


- Effectuate the FTC's enforcement-related commitments under the EU-U.S. Privacy Shield and work closely through the Global Privacy Enforcement Network (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 Cross-Border Data Privacy Rules System and work to expand membership in APEC.
- 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 competition and 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. 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.
- 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 Goals

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	375	375	375	375	375
Actual	435	387	359	-----	-----
Status	Exceeded	Exceeded	Not Met	-----	-----

 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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	40	40	40	40	40
Actual	58	53	50	----	-----
Status	Exceeded	Exceeded	Exceeded	----	-----

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	60	60	60	60	60
Actual	76	66	66	-----	-----
Status	Exceeded	Exceeded	Exceeded	-----	-----

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 then counted in this performance goal and Performance Goal 2.2.3.

*Results for this measure are reported a year behind. FY 2017 data will be available in FY 2018.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	55.0%	55.0%	60.0%	60.0%	60.0%
Actual	100%	85.7%	*	----	----
Status	Exceeded	Exceeded	----	----	----

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 2015	FY 2016	FY 2017
Actual	9	8	7

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.

Objective 2.1 Identify and take actions to address anticompetitive mergers and practices.

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

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 2018-2019 Next Steps and Future Actions for 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, technological, and legislative 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 will likely 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 Goals

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	40%-60%	40%-60%	40%-60%	40%-60%	40%-70%
Actual	57.7%	54.6%	49.1%	-----	-----
Status	Met	Met	Met	-----	-----

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	40%-60%	40%-60%	40%-60%	40%-60%	40%-70%
Actual	57.7%	54.6%	49.1%	---	---
Status	Met	Met	Met	---	---

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	2,600.0%	2,600.0%	4,200.0%	4,200.0%	4,200.0%
Actual	5,131.6%	4,640.3%	5,563%	---	---
Status	Exceeded	Exceeded	Exceeded	---	---

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). (Numbers are shown in millions, except where noted).

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	\$80.0	\$80.0	\$900.0	\$900.0	\$900.0
Actual	\$1.0 billion	\$1.0 billion	\$1.1 billion	---	---
Status	Exceeded	Exceeded	Exceeded	---	---

Other Indicators

 **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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	400.0%	400.0%	4,000.0%	4,000.0%	4,000.0%
Actual	4,863.3%	5,228.6%	3,959.3%	---	---
Status	Exceeded	Exceeded	Not Met	---	----

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 2015	FY 2016	FY 2017
Actual	\$63.3 billion	\$69.8 billion	\$88.3 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 2015	FY 2016	FY 2017
Actual	\$76.1 billion	\$69.8 billion	\$77.06 billion

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

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

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 2018-2019 Next Steps and Future Actions for 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.

- Seek local, state, and federal government advocacy opportunities to encourage adoption of policies that maximize competition, consumer welfare, and economic liberty by consideration of both the costs and benefits for consumers.
- Review 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 Goals

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	4	4	4	4	3
Actual	4	3	3	---	---
Status	Met	Not Met	Not Met	---	---

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	8	8	8	8	8
Actual	9	9	11	----	----
Status	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 then counted in this performance goal and Performance Goal 1.3.4.

*Results for this measure are reported a year behind. FY 2017 data will be available in FY 2018.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	55.0%	55.0%	60.0%	60.0%	60.0%
Actual	80.0%	64.7%	*	---	---
Status	Exceeded	Exceeded	---	---	---

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 2015	FY 2016	FY 2017
Actual	17	26	16

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

Goal Leaders: Director, Office of International Affairs; Director, Bureau of Competition; Director, Bureau of Economics

Strategies

- Work more extensively within the U.S. government inter-agency process and with other domestic government entities 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 a greater number of 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 that are establishing 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 2018-2019 Next Steps and Future Actions for Strategic Objective

- Support the Bureau of Competition's enforcement by providing effective assistance with the international aspects of its investigations and litigation.
- 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 efforts; and helping develop work on unilateral conduct, agency effectiveness, 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 competition and the digital economy, procedural fairness in competition investigations and enforcement, and the application of law 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 multilateral initiatives.
- Further strengthen relations with competition agencies, including in Argentina, Brazil, Canada, China, the European Union, India, Korea, Mexico and Taiwan,


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, e.g., with members of interagency groups that focus on China, Korea, the EU, and the OECD.
- Work with DOJ to publicize the Antitrust Guidelines for International Enforcement and Cooperation.
- Continue the FTC’s robust international competition technical assistance program for newer competition agencies.
- Further develop the International Fellows and staff exchange programs.

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, and policy 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.

Performance Goals

 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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	95.0%	95.0%	95.0%	95.0%	95.0%
Actual	100%	100%	96%	---	---
Status	Exceeded	Exceeded	Exceeded	---	---

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	120	120	120	120	120
Actual	144	171	160	---	---
Status	Exceeded	Exceeded	Exceeded	---	---

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 2015	FY 2016	FY 2017
Actual	N/A	N/A	N/A

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 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, Advance the FTC's performance through excellence in managing resources, human capital, and information technology, is inherently collaborative, and encompasses key management areas in the FTC: human capital, infrastructure and security, information technology resources, and financial management. A new objective has been added to Goal 3 to further address information and technology management as critical support functions at the FTC. 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.

Objective 3.1 Optimize resource management and infrastructure.

Goal Leaders: Executive Director, Office of the Executive Director; General Counsel, Office of the General Counsel

Strategies

- Continue to update its Continuity of Operations Plan (COOP), which defines the necessary planning and actions that are required to ensure the preservation and performance of FTC mission essential functions.
- Set up a training program for Emergency Preparedness that will include various training formats, including the e-Train system. 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.
- 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 financial disclosure reports through improved tracking and communication.

FY 2018 - 2019 Next Steps and Future Actions for Strategic Objective

- Review and update 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 is revising 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.
- Complete and distribute a comprehensive Emergency Preparedness guide that will inform employees about proper procedures for responding to emergencies.
- 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 focus on Customer Service while adhering to agency policy.
- FMO completed an Independent Verification and Validation assessment of the FTC's implementation of CLM in early FY 2017. Findings will inform future projects with the agency's shared service provider.
- FMO continues to work with the Interior Business Center (IBC) to meet the May 2017 Data Act requirements. The FTC is an active participant in supporting IBC's enhancements and releases to Oracle Federal Financials to establish the necessary configuration and extract functionality that will allow timely reporting and submission of the required data files.
- Document improved processes and policies for financial and acquisition management that promote integrity, transparency, efficiency, and effectiveness.
- Continue with the implementation of ERM in accordance with agency policy.
- Develop service-level strategies to improve performance, increase availability, ensure alignment with the FTC's Strategic Plan and detail resources, activities, and projects to modernize core IT services.

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 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 Goals

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) 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) 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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	(a) 75.0% (b) N/A	(a) 75.0% (b) N/A	(a) 75.0% (b) N/A	(a) 75.0% (b) Baseline	(a) 75.0% (b) TBD
Actual	(a) 90.0% (b) N/A	(a) 90.0% (b) N/A	(a) 95.0% (b) N/A	(a) --- (b) TBD	(a) --- (b) ---
Status	(a) Exceeded (b) N/A	(a) Exceeded (b) N/A	(a) Exceeded (b) N/A	(a) --- (b) N/A	(a) --- (b) ---

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	N/A	N/A	N/A	Baseline	TBD
Actual	N/A	N/A	82%	TBD	---
Status	N/A	N/A	N/A	---	---

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
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.
Actual	Unmodified opinion	Unmodified opinion	Unmodified opinion	---	---
Status	Met	Met	Met	---	---

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	N/A	N/A	N/A	Baseline	TBD
Actual	N/A	N/A	N/A	TBD	---
Status	N/A	N/A	N/A	N/A	---

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	N/A	N/A	N/A	Baseline	TBD
Actual	N/A	78%	65%	TBD	---
Status	N/A	N/A	N/A	N/A	---

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

Goal Leaders: Executive Director, Office of the Executive Director; Director, Bureau of Consumer Protection; Director, Bureau of Competition; Director, Bureau of Economics; General Counsel, Office of General Counsel

Strategies

- Use integrated workforce planning to identify and fulfill current and future human capital needs to carry out the agency’s mission and implement programs and processes to enable the agency to recruit, develop, and retain a highly qualified and diverse workforce.
- Strive to create an agency-wide performance culture that focuses on individual and organizational accountability toward achieving the FTC’s programmatic goals

and priorities. The agency also seeks to achieve this objective by providing quality training and outreach to staff.

FY 2018-2019 Next Steps and Future Actions for Strategic Objective

- Expand efforts to promote improving diversity and encouraging inclusion.
 - » Partner with hiring managers to deploy recruitment and outreach strategies to attract a diverse workforce.
 - » Educate managers to increase awareness of/ and create an inclusive work environment that promotes employee engagement.
- Continue to equip managers and employees to successfully embrace change in order to drive organizational success and outcomes.
- Leverage technology.
 - » Implement HR information systems to improve and advance agency HR processes.
 - » Empower managers and employees through 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.
- 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.

External Factors

- Funding levels in a constrained budget environment, as well as 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 our agency's ability to attract and retain its workforce. Good job markets have led 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 Goals

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

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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	N/A	58%	60%	Exceed the government-wide average results.	Exceed the government-wide average results.
Actual	70.2%	75.0%	77.8%	---	---
Status	N/A	Exceeded	Exceeded	---	---

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

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

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 2015	FY 2016	FY 2017
Actual	N/A	N/A	N/A

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 2015	FY 2016	FY 2017
Actual	N/A	N/A	N/A

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 2015	FY 2016	FY 2017
Actual	N/A	N/A	N/A

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 2015	FY 2016	FY 2017
Actual	N/A	N/A	N/A

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

Goal Leader: Executive Director, Office of the Executive Director

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 2018-2019 Next Steps and Future Actions for 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 the National Archives and Records Administration (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.
- Migrate mission-critical litigation support and economic 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 Goals

Performance Goal 3.3.1: Availability of information technology systems.					
<p>Information technology systems must be available and accessible to support the FTC mission. Lack of availability and accessibility severely constrain 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:</p> <ul style="list-style-type: none"> • 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 <p>Note: While this metric has been reported for several years, beginning in FY 2018 the OCIO will start including planned outages in its measure of system uptime.</p>					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	N/A	N/A	N/A	99.5%	99.5%
Actual	N/A	N/A	N/A	---	---
Status	N/A	N/A	N/A	---	---

Performance Goal 3.3.2: Percentage of IT spend on Provisioned IT Services.					
<p>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.</p>					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	N/A	N/A	N/A	Baseline	TBD
Actual	N/A	N/A	N/A	TBD	---
Status	N/A	N/A	N/A	---	---

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. Measures the number of GFE workstations patched within 30 days, which reduces the window of 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 documented 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 (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 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	N/A	N/A	N/A	Baseline	TBD
Actual	N/A	N/A	N/A	TBD	----
Status	N/A	N/A	N/A	-----	----

Performance Goal 3.3.4: Percentage of permanent records that are managed electronically.

In accordance with 36 C.F.R. Chapter XII and OMB M-12-18 (Managing Government Records Directive), Federal agencies must manage permanent records electronically by December 31, 2019, and transfer all historical records that have been in existence for more than 30 years to the National Archives and Records Administration (National Archives). This measure will track our progress in determining what matters are of historical significance and making sure those records are managed electronically, in order to comply with these federal regulations and the OMB Directive.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	N/A	N/A	N/A	Baseline	TBD
Actual	N/A	N/A	N/A	TBD	---
Status	N/A	N/A	N/A	---	---

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OTHER INFORMATION

MAJOR MANAGEMENT PRIORITIES AND CHALLENGES

The GPRA Modernization Act of 2010 (GPRAMA) and OMB Circular No. A-11 require agencies to describe their major management priorities and challenges and identify planned actions to address them. In this section, the FTC describes progress made on FY 2017 management priorities and planned actions to support FY 2018 management priorities. Following the section on management priorities is a description of the OIG identified management challenges and the agency official responsible for addressing them. The management challenges and the agency response provided in this section were previously published in the agency's FY 2017 AFR. Agency milestones to address these challenges also are included.

FY 2017 Management Priorities

The FTC's management priorities directly align with and support Strategic Goal 3: Advance Organizational Performance and the strategic objectives 3.1 Optimize Resource Management and Infrastructure and 3.2 Cultivate a High-Performing, Diverse, and Engaged Workforce. The five priorities below include active projects and metrics identified to ensure continued progress and to track results.

- OED Employee Experience & Talent Management (EE&TM) focuses on leading, managing, and developing people. The FTC worked to recruit, retain, and develop, a highly motivated, engaged, and successful workforce. In FY 2017, OED continued to track goals related to employee satisfaction and engagement, diversity and inclusion, training, and telework.
- Customer Experience & Service (CE&S) focuses on customer satisfaction with the services OED offers. In FY 2017, this priority was measured by an OED Customer Satisfaction Survey and action plans were developed to address challenges and opportunities identified in the survey.
- Risk Management and Internal Controls (RM&IC) helps to maintain effective and robust ERM practices. In FY 2017, offices participated in the ERM planning and implementation process, including the identification of risk measure triggers and risk management strategies to be implemented when trigger events occur for identified risks.
- Delivering Core Services & 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 2017, OED launched an internal electronic catalog of key services to the agency. The catalog serves as a one-stop-shop for information about the services OED provides, including key contacts and a mechanism to provide service owners with ongoing feedback.

- Delivering High Priority Projects & Initiatives ensures that high priority projects and initiatives are included in OED's work plan along with estimates of required resources, milestones, and an explanation of importance. In FY 2017, 83% of projects with approved baselines are expected to be successfully completed.

FY 2018 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.

- **Partnership for Public Service Leadership Development Program:** The Commission again partnered with the Partnership for Public Service in a leadership development program. The agency recognizes the need to identify a cadre of high-performing individuals and develop their skills as our future supervisors, managers, and leaders. The program serves as an important succession planning tool to fulfill the FTC's future mission requirements and provides an exceptional professional development opportunity for employees.
- **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 the competencies needed for each level. The courses and books associated with those competencies are available on the agency's Learning Management System, at no cost, for all employees to utilize. This tool was developed in an effort to assist employees to develop and strengthen their leadership skills and help the agency cultivate its current and future leaders.
- **BCP and BC Mentoring Programs:** BCP and BC have focused attention on the continuous development of their employees through their mentoring programs. BCP and BC have successfully completed four formal mentoring programs open to all BCP, BC, and regional office employees. The programs create an environment in which unique skills and perspectives that each staff member brings are recognized and valued; diversity is fostered; and excellence, innovation, and risk-taking are promoted. The Mentoring Programs provide significant opportunities to build and share organizational knowledge and expertise by capitalizing on the experiences of successful individuals who are committed to the development of a high performance work force. The Bureaus continuously evaluate their mentoring programs to ensure a meaningful experience for each participant. BC and BCP also have in-house training programs that, like the mentoring programs, leverage the talent and experience of the agency's existing human capital to identify appropriate programs and develop content.
- **Office of the Executive Director (OED) Mentoring Program:** OED's mentoring program is in its fourth year and has received very positive feedback from both mentors and mentees. Participants form lasting bonds with colleagues beyond the bounds of the formal program, learn about the very different kinds of work done in the five OED offices and across the Commission, and attend facilitated work-

shops that address such topics as raising one's emotional intelligence, becoming resilient, building trust, and exercising leadership.

- **OED Employee Experience & 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 2018, OED will continue to track goals related to employee satisfaction and engagement, diversity and inclusion, training, and telework.
- **Customer Experience & Service:** focuses on customer satisfaction with the services OED offers. In FY 2018, this priority will be measured by an OED Customer Satisfaction Survey and action plans will be developed to address challenges and opportunities identified in the survey.
- **Delivering Core Services & 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 2017, OED launched an internal electronic catalog of key services to the agency, which now includes more than 100 services. The catalog serves as a one-stop-shop for information about the services OED provides, including key contacts and a mechanism to provide service owners with ongoing feedback.
- **Delivering High Priority Projects & 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.

OIG Management Challenges

The OIG identified three management challenges in FY 2017. The challenges and the agency response in meeting the challenge are provided as published in the FY 2017 AFR. Milestones were added for this publication.

Challenge One: Securing the Agency's Information Systems and Networks from Destruction, Data Loss, or Compromise

Responsible Official: Executive Director, Office of the Executive Director

The information security and privacy environment is fluid and ever-changing, which means that protecting information assets remains an ongoing and complex challenge for the FTC. The volume and scope of information the FTC routinely acquires and must protect is increasing, and threats are becoming more numerous and pervasive. The FTC cannot effectively accomplish its mission if industry and the public lack confidence that the FTC can protect proprietary information, personally-identifiable information, and other sensitive non-public information entrusted to its care.

The FTC OIG assists by assessing FTC information control procedures, including its annual Federal Information Security Modernization Act of 2014 (FISMA) evaluation of FTC information security and privacy programs. These assessments provide management with an independent, high-level determination of the FTC's ability to protect its

information assets; securely and cost-effectively acquire, implement, and manage modern technologies; and maintain a skilled workforce versed in technology and the need to protect information assets.

In its FY 2015 and FY 2016 FISMA evaluations, the OIG recognized the FTC improvements taking place and continued to advocate for continuous monitoring and management improvements. The recommended improvements are intended to improve management's security and privacy planning and oversight while reducing costs through an evolving Continuous Monitoring Management and process improvement system.

In FY 2016, the Office of Management and Budget (OMB), the National Institute of Standards and Technology (NIST), the Department of Homeland Security (DHS), and the OIG community, working through the Council of the Inspectors General on Integrity and Efficiency (CIGIE), continued implementation of an information security "maturity model." The maturity model is intended to provide an assessment of the status of an agency's information security program as well as the agency's capability to enhance the resilience and capability of its information security program. The FTC OIG tailored its FISMA evaluation to align with the maturity model approach and to the FTC's mission, organizational culture, size, and technology architecture.

The results of the FY 2016 FISMA evaluation showed that, while the FTC is improving its capabilities to protect its information assets and modernizing its technology, the maturity of its information security program was not advancing. As the OIG's prior assessments concluded, while the FTC responds quickly to mitigate identified specific vulnerabilities and threats and FTC staff recognize and value information security and privacy, its documentation of policies and procedures and monitoring of the information security environment is deficient. Use of the OMB/DHS FISMA criteria highlights these deficiencies because the maturity model emphasizes the need for a formalized program that is consistently monitored and improved.

We also determined in FY 2016 that the FTC Information Technology (IT) and modernization planning and acquisition documents as of September 30, 2016, did not demonstrate the disciplined planning necessary for compliance with Federal Acquisition Regulation principles, or with Office of Management and Budget (OMB) and FTC requirements and guidance for such a complex activity; nor did the documents demonstrate a risk-based approach where information security, privacy, and performance risks were identified or considered, or where appropriate mitigations were planned. These deficiencies did not adversely affect the FTC's current ability to protect FTC information assets, but are indicative of a security environment with decreasing effectiveness. For example, the OIG's concerns with management's decision to proceed with a multi-year IT modernization plan without having policies and procedures in place for configuration management were realized in August 2017, when the agency experienced an email

outage that affected all FTC staff, contractors, and customers using email and mobile email.

The FTC's practice of correcting information security weaknesses after a problem occurs, characteristic of a Level 2 – Defined program, needs to be advanced to higher maturity levels where programed/automated processes and management oversight anticipate issues and take preventive action before FTC operations and missions experience disruption.

The FTC is working to improve its information security processes and planning. Concurrently, the agency must maintain the integrity and availability of its information assets as it continues to modernize its information systems, reorganize its information technology support staff, respond to new security requirements, and continue to provide reliable mission support. Successfully addressing competing requirements for staff and technology resources will require the continued attention of FTC senior and executive management and a focus on building an information security program on defined, repeatable processes. Information security processes must be repeatable, continually monitored and improved if the FTC is to continue to perform its missions while protecting its information assets and controlling costs.

Agency Progress in Addressing the Challenge

As a result of the evolving changes to the cybersecurity landscape, FTC determined to devote additional resources to address its information security program gaps. In 2017, OCIO hired a seasoned federal Chief Information Security Officer to lead the agency's cybersecurity efforts. Recently, OCIO also received approval to recruit additional FTEs, which recruitment effort is currently ongoing. The new FTEs will, among other things, revise policies and procedures to align with the plan to take advantage of federal programs such as Fed RAMP approved cloud services, interagency-shared services, and other initiatives such as the Department of Homeland Security's Continuous Diagnostics and Mitigation program; efforts that will not only allow the agency to provide improved services to agency users but improve the agency's IT security posture as well. In addition, the FTC will focus its initial continuous monitoring efforts on implementing CAP goals and managing IT assets in the following technical areas: hardware and software management, vulnerability management, configuration management, and privileged user management. These are multiyear projects and will be implemented and managed consistent with anticipated, but not yet issued, guidance from OMB.

Finally, while the FTC agrees that revising its configuration management policies and procedures is a priority and integral to the success of its IT modernization efforts, completion of this work would not have prevented the email outage the agency experienced in August, as the OIG suggests. The root cause for the outage as identified in the Exchange Email After Action Report was a defective antivirus update. This sort of

change is one that would never be subjected to the configuration management process as the time required for, and likely benefit obtained from, such a review would be outweighed by the risk of failing to immediately implement any antivirus update.

Key Milestones to Address this Challenge:

- Q2 FY 2018 – Revision of the IT policies
- Q3 FY 2018 – Install On-Premise DHA Continuous Diagnostic Mitigation (CDM) Applications
- Q4 FY 2018 – Revision of the IT procedures
- Q4 FY 2018 – Provision Agency Accounts for CDM
- Q1 FY 2019 – Finalize Deployment of CDM

Challenge 2: Accelerating the Maturity of the Agency’s Information Technology Governance Process

Responsible Official: Executive Director, Office of the Executive Director

The FTC depends on IT to perform its missions and associated business objectives. In accordance with federal law, the Chief Information Officer (CIO), in coordination with FTC Bureaus and Offices and appropriate governance boards, defines processes and policies to address information resources appropriately.

At the end of FY 2011, the FTC chartered an IT Governance Program with three governance boards to improve the planning, monitoring, and risk mitigation associated with its information systems. Over the past several years, the FTC improved its IT governance procedures to address increasing threats, changes in government-wide policy and guidelines, and constrained budgets. As reported in the OIG independent Federal Information Security Modernization Act of 2014 (FISMA) evaluations for FYs 2012, 2014, and 2015, the FTC improved its governance policies, procedures, and technical guidance and expanded its use of Capital Planning and Investment Control (CPIC) and investment analysis techniques. In FY 2013, the FTC governance maturation slowed because of needed focus on office consolidations and accommodating policy and priority changes resulting from senior and executive management turnover.

Maturation of the FTC governance process improved planning consistency, oversight, and risk-based decision-making. Similarly, the expansion of Governance Board roles increased Board Member participation in linking investments to business needs and analyzing risks and developing mitigation approaches. For example, recognizing the potential enterprise-level impact of minor FTC IT projects, the Governance Board added “risk” as a requirement for Board review, in addition to the Federal Acquisition Regulation (FAR) cost criteria. Thus, under FTC governance procedures, an investment or project with a high security or performance risk that might affect the FTC’s reputation is subject to Governance Board oversight, regardless of investment cost.

In FY 2016, the FTC initiated an effort to improve Office of the Chief Information Officer (OCIO) support operations and accelerate the maturation of its IT Governance program. Key elements of this effort were the reorganization of the OCIO to align support components with business needs and the development of a *Strategy and Transition Plan Security and Technology Services* (IT Strategy). The OCIO completed its reorganization in FY 2016 and issued the IT Strategy on September 30, 2016. While the OCIO conducted activities related to the reorganization and IT Strategy in FY 2016 (e.g., revision of policies, procedures, and support systems), management does not anticipate the impact of FTC improvement efforts from the IT Strategy until FY 2017 or later. This determination affected the FY 2016 FISMA evaluation in that the FISMA Maturity levels focus on the current state (in place policies and practices) for Maturity Levels 1 through 3, and the future or target state for Maturity Levels 4 and 5. Consequently, the OIG FY 2016 FISMA evaluation presented a description of the FTC current state information security environment as strong and robust relative to its ability to protect its information assets, with no concerns specific to the FTC privacy program.

In its FY 2016 evaluation, the OIG assessed the FTC IT Strategy and its planned implementation. The evaluation identified weaknesses in the IT Strategy, its proposed implementation, and associated policies and procedures. The OIG concluded that –

While the FTC made significant efforts to improve its governance practices, modernization planning and acquisition documents provided as of September 30, 2016, did not demonstrate the disciplined planning necessary for compliance with Federal Acquisition Regulation (FAR) principles, Office of Management and Budget (OMB), and FTC requirements and guidance for such a complex activity; nor did the documents demonstrate a risk-based approach where information security, privacy, and performance risks were considered and appropriate mitigations were evaluated and planned.

The OIG identified the FTC IT Strategy (initiated in FY 2016) as a high-risk project, given its mission impact and estimated cost, warranting increased oversight. Accordingly, early in its FY 2017 FISMA evaluation, the OIG collected information allowing assessment of the agency's progress in securely executing its IT Strategy. The OIG's objective was to identify potential concerns or weaknesses and raise them to FTC management for resolution before there is an adverse impact on FTC information assets, mission, or reputation. The OIG determined that the IT Strategy implementation was not proceeding in a manner that reduced performance risks. Further, the FTC's failure to recognize the relevance of legacy policies and procedures to maintaining effective security increases the adverse impact to FTC information assets.

In FY 2016, the OCIO initiated actions to address the challenge of Accelerating the Maturation of the FTC IT Governance process. Unfortunately, while these actions contributed to mitigating some specific areas of concern, they did not advance the IT Governance process. Part of the problem is timing: the OCIO issued the IT Strategy on September 30, 2016 -- the very end of FY 2016. The IT Strategy schedule proposed

performance through the entire FY 2016 to FY 2019 timeframe. While FTC performed some IT Strategy-related activities in FY 2016, it delayed some critical activities (e.g., issuance of the supporting contract vehicle). Further, as shown by the OIG evaluation of IT Strategy efforts conducted in FY 2017, the lack of progress appears to be the result of inadequate planning and the solution approaches pursued. For example, the FISMA Maturity Model stresses the use of formalized processes and procedures and documented, risk-based decisions. The IT Strategy assumes that planning artifacts such as an enterprise architecture that describes the baseline architecture, target architecture, and a transition plan to get to the target architecture will be developed as the modernization project progresses. Thus, the FTC is seeking to acquire components for an enterprise architecture that has not been defined.

The following are the OIG assessments of the challenges associated with the FTC's Governance maturation activities identified for FY 2016 performance and their status as of August 31, 2017:

- **Updated Governance Charter:** The current Information Technology Governance Program Charter is dated August 20, 2014. The 2014 Charter focused on the processes and Boards specific to the evaluation and assessment of the FTC information technology environment. The FTC has drafted a policy, identified as the replacement for the 2014 Charter, titled *Information Technology Governance Administration Policy (IT Governance Administration Policy or Policy)*, that is scheduled for completion in September 2017. Our review of the OCIO draft *Policy* shows that OCIO wrote it from a responsibility and authority perspective, as opposed to the procedural focus of the 2014 Charter. Further, the *IT Governance Administration Policy* identifies a number of policy management authorities and advisory councils without describing their relationship to the existing Governance Board structure. Thus, the draft policy does not provide for continuity of in-process Governance Board activities, increasing the performance risk to IT investments.
- **TechStats:** As defined in OMB Circular A-130, a "TechStat" is a face-to-face, evidence-based accountability review of an IT investment that enables the Federal Government to intervene to turn around, halt, or terminate IT projects that are failing or are not producing results for the American people." The FTC is now successfully using TechStats to evaluate problem areas, but its efforts have largely focused on specific system-level problems (e.g., mobile phones or issues with legal discovery products) as opposed to the Governance Process. Thus, while the FTC's use of the TechStat process is a valuable tool, it has not had a significant impact on maturing the Governance Process. The FTC could use the TechStat process to analyze the governance process itself and the investments monitored by the Governance Boards. For example, the IT Strategy, the FTC Enterprise Architecture, and the FTC contingency planning program are all appropriate candidates for TechStat reviews because they could provide the analysis necessary to ensure that the FTC is maximizing the use of its IT investments.

- **IT Strategy and Transition Plan (IT Strategy):** The OCIO characterizes the FTC IT Strategy and Transition Plan as a significant contributor to the maturation of FTC IT Governance. The Risk and Policy Management Team described in the IT Strategy conducts continuous review and analysis of business practices, with the goal of improving decision-making. The Risk and Policy Management Team is also responsible for governance processes and procedures and for ensuring that IT decisions are made in partnership with business stakeholders. The anticipated results are “increased transparency agency-wide of performance gains, challenges, and actions underway to correct deficiencies,” and assurance that policies and procedures are assessed for effectiveness and impact on the budget, performance, and operations services.

The OCIO planned for the multi-year IT Strategy to result in significant improvements in FTC IT Governance. However, in FY 2017, the IT Strategy had little positive impact on the maturation of IT Governance. A cornerstone of the IT Strategy is the use of blanket purchase agreements (BPA), under which the FTC will acquire cloud resources and related services. The IT Strategy called for award of the BPAs for the fourth quarter of FY 2016; however, the BPA award will not effectively occur before the first quarter of FY 2018, making it already significantly behind schedule. Further, the FTC deferred development of an Enterprise Architecture (EA) until after the BPA award. Thus, the FTC does not have a primary information tool that could be used to help identify IT Strategy components that could be separately acquired or developed. Further, as described in OMB Circular A-130, the EA should align business and technology resources to achieve strategic outcomes. The process of describing the current and future state of the agency and laying out a plan for transitioning from the current state to the desired future state helps agencies eliminate waste and duplication; increase shared services; close performance gaps; and promote engagement among Government, industry, and citizens. The lack of an EA “that describes the baseline architecture, target architecture, and a transition plan to get to the target architecture” presents a substantial performance risk to successful completion of the FTC IT Strategy. This remains a major management challenge for the FTC.

In FY 2017, the FTC identified risks associated with its legacy IT. The FTC complicated its governance maturity efforts by stating that it accepts the risk with its aging legacy IT in order to focus on migration to cloud services. Implicit in this statement is also the acceptance that FTC may increasingly experience disruptions that compromise the capability to perform its missions and protect its information assets. A general acceptance of risk, while allowable, shows that FTC has changed its focus from maintaining a reliable, secure environment to introducing modernized services with a currently unknown structure, risk, and implementation timeframe. The FTC must recognize that it needs concurrently to manage risk to its legacy systems and their information assets while modernizing its IT. This recog-

nition must be reflected in a mature governance structure that fully supports both requirements – stable, secure in place Operations and Maintenance and successful planning and implementation of stable, secure modernized systems.

Agency Progress in Addressing the Challenge

The FTC took several steps toward maturing the agency’s IT governance, acquisitions and strategic planning processes during fiscal year 2017.

IT Governance: OCIO took numerous steps to mature and broaden its IT governance structure and operations – all to ensure that the Federal Trade Commission’s IT risk management activities support a management framework of organization, mission processes, and information systems consistent with guidance in NIST Special Publication 800-39, *Managing Information Security Risk*, Specifically, the revised structure was created to better ensure: 1) organization-wide risk awareness and management; 2) continuous improvement via stakeholder feedback; and 3) traceability and transparency of risk-based decisions.

The first major step in this process was the Chairman’s designation of the CIO as the senior risk official for Information Technology. Next, the CIO designated four OCIO managers as Policy Management Authorities (PMA) to manage day to day risk and implement the requirements of OMB Circular A-130, *Managing Information as a Strategic Resource*, including managing risks, artifacts, policies, and procedures in assigned areas of policy authority. OCIO also solicited agency-wide participation on various Advisory Councils, whose members act as subject matter experts (SME) to advise the PMAs, the CIO, and Senior Agency Officials in the program areas outlined in OMB Circular A-130.

The PMAs and the Advisory Councils constitute Tier 2 of a three-tiered, escalating IT risk management structure that provides oversight required to identify, analyze, prioritize, mitigate, and manage risks and issues regarding information systems, mission processes, and the organization at each respective decision-making tier – all with the overall objective of continuous improvement. For example, when system owners and authorizing officials (Tier 3) are unable to resolve information systems risks and issues, or issues are determined to affect business processes, the risk or issue is escalated to the PMAs (Tier 2) and the appropriate IT Advisory Council to apply resources and decision-making strategies. Similarly, if the risk or issue cannot be prioritized or mitigated by the Tier 2 PMA governance bodies, or the criticality of risk is such that it affects the organization and requires decision-making or resources not available to the PMAs, the risk or issue is escalated to Tier 1 and the Senior Agency Officials who sit on the Enterprise Risk Management governing body, the Senior Management Council (SMC) for analysis and decision-making. The SMC may choose to accept, mitigate, or transfer the risk or modify the IRM Strategic Plan to manage the risk.

Finally, an IT risk register was established to ensure that the PMAs and the IT Advisory Councils have insight into project risk and issues. The PMAs conduct weekly risk reviews and make decisions regarding risk mitigation. Risks are escalated to the agency’s SMC senior risk management officials based on the severity, likelihood and impact.

These escalated risks are presented as part of the SMC meetings, which focus on, not only IT risks, but also overall agency risks. Depending upon changes in the risk landscape, the IRM, the agency risk profile, or strategic initiatives may require adjustment. The SMC, the CIO, and PMAs will communicate changes in the IRM and agency risk profile to stakeholders, Advisory Council members, and system owners to guide their IT risk management activities.

The new governance structure is intended to streamline decision-making, and broadened the IT governance scope beyond development, modernization and enhancement (DME) investments. It is also intended to ensure that IT, which is integral to the work of the agency, and the risks it poses to organization or mission are properly considered as part of Enterprise Risk Management for the agency. The new structure provides transparency throughout the agency regarding IT operations, maintenance, security, staffing, and budgeting, which directly influences the success of DME projects.

Because the voting members of the SMC, the agency's senior risk review board, is made up of those who served as members of the prior IT Governance Board (i.e., the CIO, Deputy Directors of the Bureau of Economics (BE), the Bureau of Competition (BC) and the Bureau of Consumer Protection (BCP); the Chief Privacy Officer, the Chief of Staff, the Executive Director) there were no specific transition efforts that had to be undertaken to move the Governance Board's functions/responsibilities and on-going projects to the broader SMC board that has responsibility for Enterprise Risk Management for the agency. Although these IT governance process improvements were not formally presented as a "TechStat," (although OCIO has no objection to conducting such sessions for non-investment changes or issues going forward) these changes were presented to, and/or vetted extensively before implementation with, stakeholders throughout the agency. The CIO met with and discussed these proposed changes with the Chairman, the IT Governance Board members, the SAT, appointed representatives to the newly formed IT Advisory Councils, members of the FTC community who attended in In the Know With CIO forums, and others who provide input regarding the business risk associated with IT policy revisions and operational and functional changes. Finally, OCIO drafted a policy revision to the Administrative Manual reflecting these changes in IT governance, which is undergoing final review before publication.

Strategic Planning/Enterprise Architecture: The IRM Strategic Plan, which is targeted for completion in in Q1 FY 2018, will supersede the current IT Strategy and Transition Plan. The finalization of the agency's IRM Strategy is a continuation of the current IT Strategy; building on progress already made, and will support further improvement in the areas of IT governance and planning. The plan will establish a five-year strategy for modernizing the agency's information technology portfolio, proposing a target architecture with a focus on high availability cloud environments, increased mobility, and greater emphasis on mission IT needs. In order to capture a cohesive agency view, in development of the plan, OCIO has met with Offices and Bureaus across the agency to document their needs. Again, while a TechStat was not held on the IRM, the draft IRM

Strategic Plan was briefed to the responsible PMA/ Advisory Council, which recommended it approval by the SMC, which approval is pending.

The FTC approach to strategic planning is to focus on the performance outcomes. As a result, FTC is using the IRM to drive the decision-making on the target Enterprise Architecture and vehicles for IT acquisitions. This approach resulted in progress against the current IT Strategy as demonstrated by the completion of multi-factor authentication through use of Personal Identity Verification (PIV) for access to the FTC network. Progress in this area will continue with multi-factor authentication for regional office staff in FY 2018.

Implementation of the IT Strategy requires improvements to the FTC communications infrastructure. To begin the process, FTC completed a Network Modernization Business Case Analysis (BCA) in FY 2017. The Network Modernization BCA anticipated the user demands of a cloud-based solution set as discussed in the IT Strategy, and resulted in a recommendation for upcoming FTC network modernization. In FY 2017, the FTC began the development of an Enterprise Architecture (EA) program that aligns with the Federal Enterprise Architecture framework. Artifacts for the EA program are currently under development and will align IT systems and applications with agency strategic and performance goals, define the current and target state for the agency's IT footprint, and provide a roadmap for future development and modernization. These documents will establish the baseline as-is architecture. Efforts so far have focused on areas of greatest mission risk and thus have concerned documenting litigation processes through meetings with senior leadership in BC, BCP, BE, and the Office of the General Counsel. In FY 2018, the FTC plans to complete the first round of EA artifacts, further define EA governance processes, integrating security and privacy into the overall EA program.

Acquisitions: The planning for, drafting, and issuance of the BPA was the result of intensive, collaborative work by OCIO and the Acquisitions Division, with the support of an outside contractor. It involved, among other things, significant requirements gathering and market research. The award of the BPA has been delayed, in part, due to the large number of proposals received. This is a good problem to have, as this means industry is interested in partnering in the FTC modernization effort. Moreover, this should translate into competitive pricing and a variety of viable approaches for modernization. The IG's assertions notwithstanding, the agency has not failed to take action to manage risk, while it has accepted the risk pending implementation of its modernization plan. In parallel with its work on issuing and awarding the BPA, OCIO, and more broadly the agency as a whole, has been reviewing, documenting, and mitigating risks including those IT risks that have the potential for impact on mission services. In addition to the weekly review of risk registers described above, OCIO is actively cataloging end of life hardware and software, and has established Integrated Project Teams (IPTs)

to conduct risk assessments on the current state. The IPTs will review and assess the upgrade of end of life software and hardware and, based on mission impact and criticality, and will develop project plans to mitigate risk that will be integrated in the IRM Strategic Plan monitoring effort.

Key Milestones to Address this Challenge:

- Q1 FY 2018 – Senior Management Council/ITGB Review and Approval of the Information Resource Management Strategy
- Q2 FY 2018 – IT Policy Revision
- Q3 FY 2018 – Enterprise Architecture Artifacts Reviewed by Business Council
- Q4 FY 2018 – IT Procedure Revision

Challenge 3: Improving Acquisition Planning and Contract Management

Responsible Official: Executive Director, Office of the Executive Director

The FTC depends on contractor support to meet its mission needs. In FY 2015, the FTC obligated about 20 percent of its budget (approximately \$60 million) for contracts for goods and services. In FY 2016, the FTC obligated about 23 percent of its budget (approximately \$70 million) for contracts for goods and services, of which 16 percent (approximately \$50 million) was for non-FTE related IT resources. The FTC’s dependence on contractor support will continue to grow, as will the percentage of IT resources, as FTC mission requirements expand with an anticipated increase in economic activity.

Given the current economic and budgetary environment, the FTC cannot expect substantial increases in funding. It must, therefore, ensure the effective acquisition of quality goods and services that meet its needs. Implicit in accomplishing this objective is having consistent, flexible acquisition practices that ensure that goods and services are available when needed.

As recognized by the FAR, effective acquisition and management of goods and services requires a team approach between the customer with the acquisition requirements – e.g., the FTC’s Bureaus and Offices -- and the organizational component responsible for conducting acquisitions and managing contracts -- the Financial Management Office (FMO). In addition, within the Federal Government, the agency CIO is responsible for ensuring the effective specification and management of information resources.

For more than five years, the OIG has identified deficiencies in IT acquisition planning, project management, and contract management. The acquisition planning weaknesses resulted in:

- 1) poorly-defined contract functional requirements, the lack of enterprise level planning that resulted in acquisition of products not appropriately integrating with existing IT capabilities, and the lack of metrics with a user or functional focus that could demon-

strate whether delivered IT resources met contract requirements and user needs; 2) contracts that did not include the requirements and metrics necessary to identify poor performance or the tools needed to correct performance issues; and 3) Contracting Officer's Representatives (COR) without the training and resources necessary to identify and properly document and resolve poor performance issues.

In FY 2016, the FTC initiated actions to improve the FMO acquisition and contract management processes and the OCIO IT Acquisition Planning, Project Management, and Contract Management processes. Many of these planned actions have not been in place for a long enough period to allow the OIG to fully assess their impact. The summaries below provide the OIG's assessment of the challenges associated with these initiatives as of August 31, 2017.

FMO Acquisition and Contract Management

COR Education: In FY 2016, the FMO agreed to host quarterly COR training. However, the FMO Acquisitions Division subsequently determined that quarterly training was not adequate and thereafter instituted bi-monthly COR training in February 2016 and expanded training to include maturation of the FTC COR knowledge base, as well as to address current, specific needs. The Acquisitions Division also posted a variety of COR resources online, including sample documents and Procurement Action Lead Time (PALT) requirements for common acquisitions.¹ The use of PALT guidelines should result in more realistic planned acquisition schedules for customers to follow and lower schedule risks.

This FMO initiative should have a positive impact on FTC acquisition processing and contract management. The FTC's Blanket Purchase Agreement (BPA) acquisition for Information Technology Services and Support (ITSS) is a critical element in the OCIO IT modernization initiative, approved in September 2016. The IT Strategy issued at that time assumed that ITSS Task Order awards would commence in the fourth quarter of 2016, and the ITSS Acquisition Plan issued in February of 2017 stated that any "potential delay will impact the FTC's ability to award task orders which are planned to be competed and awarded under the BPA in FY 2017." However, the FTC does not expect to award the ITSS BPA until FY 2018 – a full year beyond the initial estimate. Had those

¹ PALT is the approximate number of calendar days from the time the contracting officer accepts a complete acquisition package to the time of award. Agencies establish PALT guideless, based on acquisition size and complexity that define the categories of acquisitions to which the guidelines apply. PALT guidance also generally specifies what constitutes a complete acquisition package.

involved in planning the ITSS acquisition used the PALT and other COR resources, the risk of schedule delay could have been reduced.

Improved Customer Communications: The FMO Acquisitions Division proposed to improve agency acquisitions by improving customer communications. For example, the Division is scheduling targeted customer meetings and providing liaison support for select customers among the Bureaus and Offices. The FAR recognizes the importance of participants in the acquisition process working together as a team.² “The Acquisition Team consists of all participants in Government acquisition including not only representatives of the technical, supply, and procurement communities but also the customers they serve, and the contractors who provide the products and services.”³

The OIG could not fully assess the impact of the proposed Acquisitions Division changes in FY 2017 because these changes will not generate measurable results until FY 2018 and beyond.

Revised Policies and Procedures: The OIG welcomes the Acquisitions Division’s continuous review of all FTC policies and procedures to ensure consistency with federal regulations and strive for improved acquisitions and contractor management.

IT Acquisition Planning, Project Management, and Contract Management: The OCIO reported taking significant steps to improve its IT acquisition processes. The OIG has not had sufficient time to assess the full impact of those actions because most are long-term activities that management only began to implement during FY 2016. For example, the CIO established a new Vendor and Program Management (VPM) division in March 2016, and significant VPM initiatives were not scheduled to start until FY 2017. Thus, VPM has not yet had the opportunity to work with the OCIO customer base and the FMO to establish the working relationships, policies, strategies, and practices necessary to improve the FTC acquisition planning, project management, and governance.

Continued Progress: In the last year, the FTC has demonstrated its commitment to improve acquisition planning and contract management by making changes in many contract acquisition and management areas. Yet, acquisition planning and contract management remains a continuing challenge, particularly in regard to improving the management of information technology acquisitions and operations, which the Government Accountability Office (GAO) includes as a high risk area in its 2017 high-risk report.⁴ We will continue monitoring the agency’s progress to determine the extent to which the FTC has established an effective framework of controls to guide its acquisitions, its COR cadre, and its contract management process.

² FAR § 1.102(a)(a) The vision for the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public’s trust and fulfilling public policy objectives. Participants in the acquisition process should work together as a team and should be empowered to make decisions within their area of responsibility.

³ FAR § 1.102(c).

⁴ GAO 17-317, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others, February 2017, Improving the Management of IT Acquisitions and Operations.*

Agency Progress in Addressing the Challenge

COR Education: COR education continues to be a priority for FMO management and the Senior Procurement Executive (SPE). In FY 2017, FMO's Acquisitions has continued to hold bi-monthly COR training sessions as begun in FY 2016. Topics in FY 2017 have included overall COR roles and responsibilities, expert witness contracts, the Privacy Office's Privacy Threshold Analysis, unauthorized commitments and the ratification process, COR invoice process training, and an end-of-fiscal-year COR review session. To complement its in person training, the Acquisitions Division offers a wide variety of COR resources online for easy access, including templates, sample documents, and PALT requirements for the most common acquisitions, including new task orders, open market contracts, sole source contracts, and supplies/services contracts through GSA.

Improved Customer Communications: The Acquisitions Division is working to improve the quality of agency acquisitions by continuing to improve customer communications via targeted customer meetings and by obtaining new staff to serve as acquisition support liaisons for the customers. The SPE customer meetings, initiated in FY 2015, ensure standard topics are discussed, and new requirements are being addressed in an agreed-upon priority order. The Acquisitions Division also helped ensure timely completion of actions by sending reminders in advance of key dates. These improvements strengthened the acquisitions process overall and ensured that all acquisitions were completed timely at year-end.

Additionally, in FY 2017, the Acquisitions Division contracted for three acquisition liaisons, to assist program offices by providing hands on guidance about the acquisition process; assisting customers with initiating contract actions; ensuring the adequacy of acquisition packages; and ensuring that both the Acquisitions Division and the customer maintain transparency and confidence throughout the entire process. In this first year, the liaisons have assisted with over 75 contracting actions for the offices within the Office of the Executive Director, as well as BC and BCP. As a result of their work, the Acquisitions Division has begun to see improvement in the quality in acquisition packages, most notably in requirements definition. Customer feedback for the liaisons has been universally positive, and the Acquisitions Division will continue offering liaison services into FY 2018.

Revised Policies and Procedures: The SPE will continue reviewing all existing policies and procedures to ensure consistency with the latest federal regulations. Additionally, the SPE will continue to identify new policies and procedures that need to be issued. In FY 2017, the Acquisitions Division has published substantial revisions to the FTC's Administrative Manual chapter pertaining to Acquisitions. The updated chapter includes detailed descriptions of FTC's elements of an acquisition package, updated roles and responsibilities, a discussion of government-wide Contracting Officer Representative (COR) training requirements, and a definitions section. The Acquisitions Division has also focused on developing policies specifically for acquisitions staff. In FY 2017, the Acquisitions Division published over 17 such policies, with additional policies

planned for FY 2018. Topics of completed policies include market research, documenting small business strategies and awards, closeouts, deobligating unliquidated obligations, and formal acquisition plans, among others. Through this continuous assessment process, the Acquisitions Division will have standardized policies and procedures that will govern contracting actions and provide consistency and efficiency in operation and output of the Acquisitions Division, as well as clear guidance for the program offices. Establishment of policies and procedures is an ongoing effort of continuous review, revision, and tested compliance, as the FAR and industry standards are constantly changing.

IT Acquisition Planning, Project Management, and Contract Management: In FY 2017, OCIO's Strategy and Planning Division (SP) established an approach for managing modernization initiatives in an integrated manner. In FY 2018, OCIO plans to extend project management practices to non-standard change efforts associated with IT Operations and Maintenance to enable integrated visibility, resource allocation, and priority setting across divisions and support vendors to improve IT capability, customer service, and vendor performance accountability.

Also, OCIO's Vendor and Program Management Division (VPM) continues to work with the FMO Acquisition Division to award the IT Support Services BPA, the strategic contracting vehicle for modernization and sustainment of IT services. The two offices will continue to work closely together to plan and execute the transition of legacy services contracts into task orders under the BPA. The planning and execution for task order transition will follow PALT guidelines and leverage other COR resources developed to reduce schedule delays in the acquisition cycle. The BPA will streamline the IT procurement process and enable the FTC to work with vendor partners to acquire and modernize IT services efficiently and effectively.

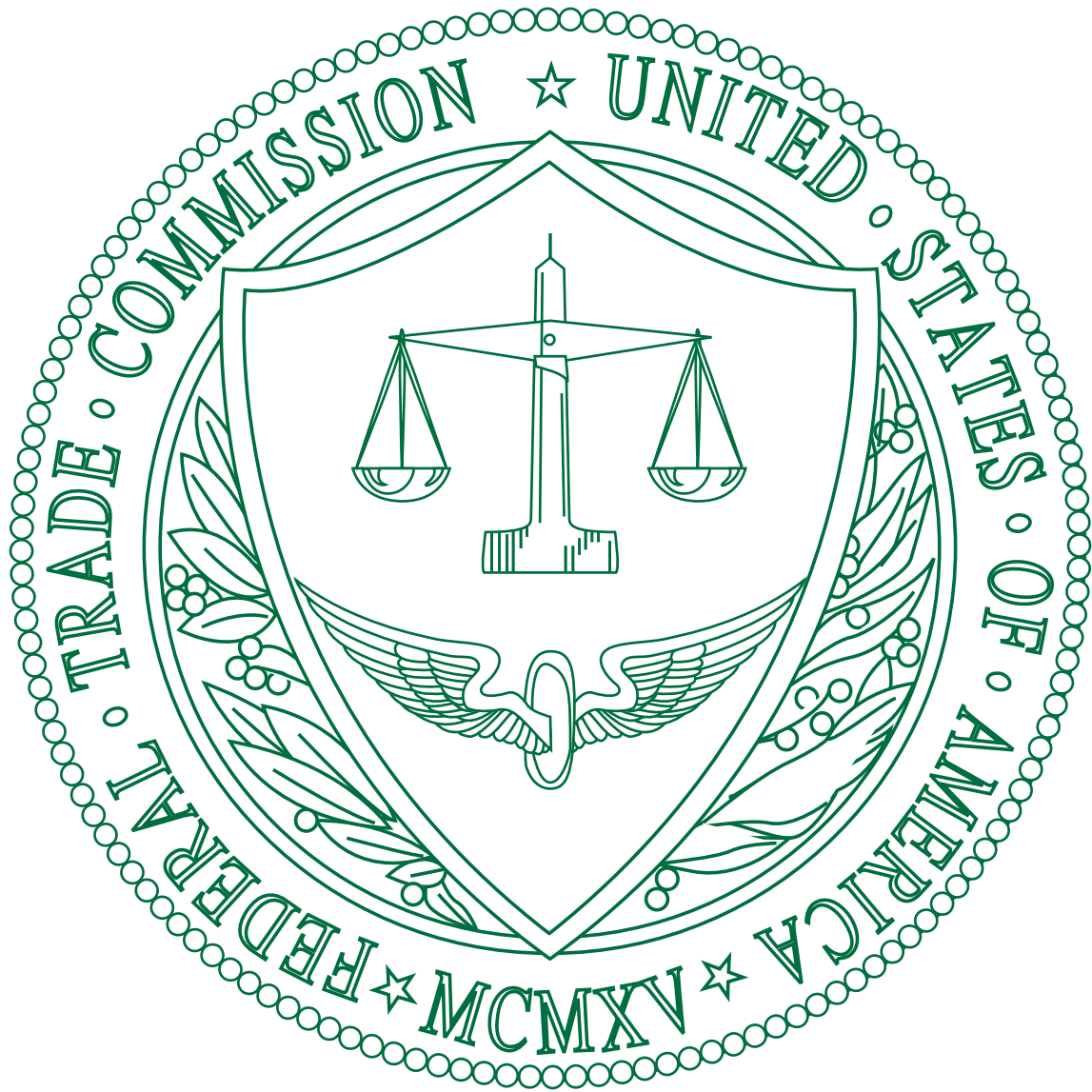
In FY 2017, the VPM has taken a few important initial steps to improve the efficiency of the requisition and procurement process by collaborating closely with other OCIO Offices and the Acquisition Office. VPM has taken the central acquisition oversight role by reviewing and approving OCIO acquisitions. VPM has developed a single information source that tracks the acquisition status of all OCIO acquisition and works with Acquisition Office to share and validate information between the two offices. VPM also serves as liaison and the focal point to enhance the efficiency of communication between the two offices. The VPM also developed an IT Acquisition Management Guide in September 2017. The guide includes procedures for acquisition planning and contract administration for IT contracts. The guide defines process and methods for enterprise level IT acquisition planning to ensure alignment with IT strategies and impact to existing IT capabilities are considered in an integrated manner. The guide also defines various methods for improving contractual requirements, including performance-based requirements, performance standards and metrics, end-user oriented outcomes and agile incremental system and service delivery. The guide also established management and oversight processes to ensure performance issues are identified, analyzed, and

remediated timely and effectively. VPM plans to extend its oversight role to include IT acquisitions from all Bureaus and Offices. OCIO will continue to evolve and mature its project management approach, particularly as it applies to acquisitions.

Key Milestones to Address this Challenge:

- Q2 FY 2018 -
 - » Communicate IT acquisition procedures to agency-wide IT acquisition stakeholders.
 - » FMO releases updated Acquisitions Planning policies and procedures.
- Q2 FY 2018 - BPA Award
- Q3 FY 2018 -
 - » Baseline Integrated IT Acquisition Planning Forecast (IAPF)
 - » FMO holds COR training for agency staff
- Q4 FY 2018 -
 - » Establish a mechanism for centralized monitoring of contract performance measures, issues, and risks for IT contracts.
 - » FMO releases additional updated Acquisitions policies and procedures

DESCRIPTIONS



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PROTECTING CONSUMERS

The FTC advances its goal of protecting consumers through five law enforcement areas (Privacy and Identity Protection, Financial Practices, Marketing Practices, Advertising Practices, and Enforcement), as well as through five additional functions (Litigation Technology and Analysis, Consumer Response and Operations, Consumer and Business Education, Economic and Consumer Policy Analysis, and Management). The FTC's seven regional offices also further this goal by bringing a variety of consumer protection cases within the five law enforcement areas and maintaining important contacts with state Attorneys General and other state and local consumer protection officials.

Budget by Activity (\$ in thousands)

	Fiscal Year 2018		Fiscal Year 2019	
	FTE	Dollars	FTE	Dollars
Privacy and Identity Protection	52	\$9,940	52	\$9,940
Financial Practices	76	14,499	76	14,499
Marketing Practices	127	24,334	127	24,334
Advertising Practices	71	13,581	71	13,581
Enforcement	44	8,365	44	8,365
Consumer Response and Operations	24	4,598	24	4,598
Litigation Technology and Analysis	32	19,731	32	19,731
Consumer and Business Education	20	6,714	20	6,714
Economic and Consumer Policy Analysis	8	1,439	8	1,439
Management	16	3,030	16	3,030
Subtotal Direct	470	\$106,231	470	\$106,231
Support	142	\$64,962	142	\$64,962
Total	612	\$171,193	612	\$171,193

Privacy and Identity Protection

The goal of Privacy and Identity Protection is to protect consumers' privacy, while balancing the benefits from the flow of information in our marketplace economy, and to help consumers prevent, mitigate, and remediate the damage caused by identity theft. This program uses a mixture of law enforcement, consumer and business education, and policy initiatives to accomplish this goal.

- **Consumer Privacy and Data Security:** Privacy and Identity Protection leads nationwide efforts to protect consumers from unfair, deceptive, or other illegal practices involving the use and protection of consumers' information. Law enforcement under Section 5 of the FTC Act is a central part of this program, including cases in which companies have misrepresented how they use and share personal information they collect from consumers or failed to take reasonable steps to secure consumers' data. Another key priority is protecting the privacy of children under age 13 by enforcing the Children's Online Privacy Protection Act, which requires online (including mobile) sites and services that collect personal information from children to provide parents with notice and get their consent prior to collection. In the area of financial privacy, the FTC enforces its rule implementing the privacy provisions of the Gramm-Leach-Bliley Act. The FTC also enforces its Safeguards Rule, which requires financial institutions to implement reasonable administrative, technical, and physical safeguards to protect customer records and information. The FTC is currently reviewing public comments on the "Safeguards Rule," as part of its systematic review of all FTC rules and guides. Finally, as part of the EU-U.S. Privacy Shield Framework, the FTC has committed to take action against entities that misrepresent their participation in, or compliance with, the Framework, and recently announced three Privacy Shield cases. In addition to its enforcement efforts, the FTC issues reports and hosts workshops on general privacy, mobile privacy, Big Data, the Internet of Things, data brokers, and new technologies such as drones, smart TVs, and ransomware.
- **Accuracy and Privacy of Credit Information:** Privacy and Identity Protection works to ensure the accuracy and privacy of consumer information used to screen applicants for loans, jobs, insurance, and other benefits. Privacy and Identity Protection enforces the Fair Credit Reporting Act (FCRA), which holds credit bureaus and furnishers of information responsible for the accuracy of credit report information, gives consumers the right to check and correct their credit reports, limits how such information may be used, and requires reasonable procedures to ensure that such information is obtained only by entities with a permissible purpose to use it.
- **Identity Theft:** The FTC serves as a centralized repository for consumer complaint, victim assistance, and education services on avoiding and responding to identity theft and is the leading source of this information for consumer assistance and law enforcement training. Consumers can report incidents of identity theft online or by phone, and the complaints are entered into the FTC's Consumer

Sentinel Network, which is accessible to domestic and international law enforcement partners. Additionally, the Commission has also issued numerous education materials to help consumers protect themselves from identity theft and to deal with its consequences when it does occur. The FTC launched an improved version of IdentityTheft.gov (robodeidentidad.gov in Spanish), a free, one-stop resource people can use to report and recover from identity theft.

Financial Practices

Financial services play an important role in the daily lives of virtually all Americans. Financial Practices promotes truthfulness and fairness in the provision of these services by entities within the FTC's jurisdiction, so that consumers can make better-informed decisions.

- **Debt Collection:** The Fair Debt Collection Practices Act prohibits deceptive, unfair, and abusive debt collection practices that can harm consumers who are unable to pay their debts due to job loss or other financial problems. Financial Practices uses enforcement and education to protect consumers from such harmful practices. It also conducts public workshops and makes policy recommendations on developments in the debt collection marketplace.
- **Mortgage, Credit Card, and Other Debt Relief Services:** Financial Practices targets firms that make deceptive offers to assist consumers in reducing or renegotiating secured debt, such as a mortgage or car loan, and unsecured debt, such as student loan debt or credit card bills. These claims mislead consumers already in financial distress as to who is providing these services, what services they will provide, and how much they charge for them. The scams vary, and include offers to provide mortgage loan modification, foreclosure relief, short sales, mortgage refinancing, debt settlement, debt negotiation, and credit counseling. Victims often find themselves in even more dire financial straits than before engaging the services.
- **Lead Generation and Short-Term Lending:** Financial Practices protects consumers applying for short-term loans, including by ensuring that lending companies do not gain an unfair competitive advantage by promising false loan terms and also by taking action against companies that sell consumers' sensitive loan application information (leads) to non-lenders, often without the consumers knowledge or consent, subjecting them to potential fraud and misuse.
- **Motor Vehicle Sales, Financing, and Leasing:** For most consumers, the purchase of a car or truck is their most expensive financial transaction, other than the cost of housing. Financial Practices leads the FTC's efforts to protect consumers from deceptive or unfair practices in auto purchasing, financing, and leasing transactions.
- **Financial Technology:** As new financial products emerge in the non-bank financial marketplace, Financial Practices has been examining these developments, reaching out to stakeholders, and bringing actions emphasizing that companies using new technologies must follow the same basic laws as traditional market

participants, including by honoring promises to consumers and gaining consumers' consent to charges.

- **Education:** Financial Practices leads the FTC's enforcement efforts against deceptive and unfair practices in the education sector, including by taking action against high school diploma mills that charge consumers for worthless certificates, higher education institutions that deceive consumers about their employment and earnings prospects, and education lead generators that lure consumers into providing their personal information under false pretenses.
- **Deception Relating to Other Financial Services:** Financial Practices broadly targets deception and unfairness in the marketing and provision of a diverse array of other financial products and services, such as credit repair.

Marketing Practices

Marketing Practices fights frauds that target consumers and emphasizes emerging frauds. Its enforcement priorities include addressing scams with high-dollar losses, spearheading the FTC's efforts to address violations of the Do Not Call and Robocall Rules, and tackling online and hi-tech fraud. The division also enforces the Commission's rules that prohibit spam and protect purchasers of franchises and business opportunities, funeral services, and certain products with warranties.

- **Fraudulent Schemes:** One focus of the fraud program is to stop scams harming people who seek to work independently or generate additional income, such as entrepreneurs, service people and veterans, and seniors on fixed incomes. Thus, the division targets fraudulent business opportunity and investment schemes, including coaching and mentoring scams, fraudulent multi-level marketing operations, and invention-promotion or similar scams. Marketing Practices also targets "imposter" schemes, where scammers impersonate government agencies or known companies to enhance the credibility of otherwise deceptive sales pitches. In addition, the division focuses on frauds that may prey disproportionately on certain communities, such as sham charitable fundraising and illegal lottery and prize promotions, which can be especially harmful to older consumers. Marketing Practices coordinates the FTC's work to reduce fraud through research and analysis into which communities are disproportionately impacted by certain scams and which population segments under-report fraud.
- **Telemarketing Fraud and Do Not Call:** Marketing Practices enforces the Telemarketing Sales Rule (TSR), including the TSR's Do Not Call and Robocall Rules, to halt deceptive telemarketing schemes. Working closely with state Attorneys General, other federal, state and international law enforcers, as well as private sector partners, Marketing Practices targets areas for law enforcement, organizes enforcement sweeps, and helps publicize consumer and business education to combat telemarketing fraud and violations of the Do Not Call and Robocall Rules emanating from within the U.S. and overseas. Marketing Practices also has spearheaded industry-government collaboration to advance Caller ID Authentication and blocking of unwanted calls.

- **Internet Fraud:** Marketing Practices leads the FTC’s law enforcement efforts to prevent and halt online fraud, including spyware and malware. The core of this activity rests on staff initiatives to keep pace with the latest Internet schemes, as well as undercover surveillance and rapid law enforcement response when fraudulent and unfair schemes are detected. Recent law enforcement initiatives have focused on “tech support” scammers, who tell consumers that their computers are infected with malware in order to sell them expensive online repair software to remedy the supposed infection when, in reality, there are no problems with the consumers’ computers.
- **Facilitating Fraud:** Marketing Practices targets law enforcement against entities that facilitate fraud, such as voice blasters that assist illegal robocallers and payment processors that actively participate in fraudulent merchants’ schemes by providing access to the banking or credit card systems while helping scammers avoid anti-fraud detection efforts.
- **Rule Enforcement:** In addition to enforcing the TSR, Marketing Practices enforces the FTC’s Franchise Rule and the amended Business Opportunity Rule, which requires a streamlined disclosure document covering business opportunities. Marketing Practices also enforces the CAN-SPAM rules and recently promulgated E-Warranty Rules, as required by Congress, which amend the Magnusson-Moss Warranty Act. It also coordinates the agency’s enforcement of the Funeral Rule.

Advertising Practices

Advertising Practices enforces the nation’s “truth-in-advertising” laws and, through reports, advocacy, and industry outreach, articulates the FTC’s policies on the regulation of advertising. Whether ads appear online, on television or radio, or in newspapers, magazines, or social media, these laws require companies to tell the truth and to back up their claims with reliable, objective evidence. Advertising Practices uses a variety of tools to protect consumers from misleading claims, including bringing law enforcement actions in federal and administrative courts, providing guidance to industries, advocating effective self-regulation by the advertising industry and better ad screening by the media, and providing consumer and business education. Working to protect consumers’ health, safety, and economic interests, these efforts span a broad range of products and practices.

- **Advertising for Foods, Over-the-Counter Drugs, Dietary Supplements, and Medical Devices, including Mobile Apps:** Advertising Practices devotes substantial resources to ensuring the accuracy of health claims in advertising and takes action against companies making deceptive representations. In addition to traditional law enforcement actions, the FTC creates education materials to help companies understand the need for adequate substantiation and information to help consumers, including the elderly and other vulnerable populations, spot deceptive claims.

- **Health Care and Weight Loss:** Each year consumers spend billions of dollars purchasing pills, potions, devices, and therapies to treat and prevent serious diseases such as cancer, dementia, arthritis, and diabetes, and to achieve other health-related goals such as weight loss. Advertising Practices works with other federal agencies and partners to combat misleading claims by providers of these products and services by sending warning letters targeting not only perennial scams, but also scams “du jour” and by bringing law enforcement actions. Advertising Practices monitors the marketplace and sends warning letters to companies making potentially problematic claims. Other activities include conducting consumer education campaigns to assist consumers in avoiding fraudulent or deceptive health care and weight loss products.
- **Endorsements, Search Results, and Native Advertising:** Advertising Practices enforces the basic principles, incorporated in the FTC’s Endorsement Guides, that endorsements must be truthful and cannot be misleading, and that material connections between advertisers and endorsers should be disclosed. Based on the idea that consumers have a right to know when they are receiving a sales pitch, this principle similarly applies to social media marketing (including consumer-generated content), paid search results, and “native advertising,” the practice of blending advertisements with news, entertainment, and other editorial content in digital media. The FTC issued an Enforcement Policy Statement on Deceptively Formatted Advertisements, as well as an educational Business Guide on Native Advertising, addressing these issues. Advertising Practices engages in significant outreach to educate businesses, especially small businesses, about how to comply with the FTC Act when using endorsers, influencers, and online reviews.
- **Disclosures:** As a natural outgrowth of our Endorsement Guide update in 2009, Dot Com Disclosures update in 2013, and marketplace trends, Advertising Practices also has prioritized a review of inadequate price and other disclosures. For example, Advertising Practices sent letters to a number of hotels and online travel agencies warning that they may violate the law by providing a deceptively low estimate (known as “drip pricing”) of what consumers can expect to pay for their hotel rooms and has brought cases against websites selling event tickets while misrepresenting themselves as the actual event venue.
- **Tobacco and Alcohol Advertising:** Advertising Practices leads the FTC’s efforts to stop the deceptive or unfair marketing of tobacco and alcohol, administers federal laws governing the rotation of health warnings on ads and packaging for cigarettes, and publishes annual reports on cigarette and smokeless tobacco advertising and marketing. The FTC is coordinating with the Food and Drug Administration (FDA) as the FDA assumes some tobacco-related responsibilities pursuant to the Family Smoking Prevention and Tobacco Control Act. Advertising Practices also monitors self-regulation of the alcohol advertising industry, encourages improved standards and compliance, and periodically reports to Congress and the public on this issue.

- **Contact Lens and Eyeglass Rule Administration and Enforcement:** Advertising Practices enforces the Contact Lens and Eyeglass Rules, which require that contact lens and eyeglass prescribers (optometrists and ophthalmologists) automatically provide patients with a copy of their prescriptions at the completion of a lens or eyeglass fitting. The Contact Lens Rule also prohibits lens sellers from providing lenses to customers without first verifying prescription information. Advertising Practices has brought a number of cases enforcing the Contact Lens Rule, has sent warning letters to numerous prescribers and sellers regarding possible Contact Lens Rule or Eyeglass Rule violations, and engages in ongoing business education. The FTC has initiated a review of the Contact Lens Rule, seeking public comment to determine whether the Rule should be modified.

Enforcement

Enforcement litigates civil contempt and civil penalty actions to enforce federal court injunctions and administrative orders in consumer protection cases; coordinates actions with criminal law enforcement agencies through its Criminal Liaison Unit; develops, reviews, and enforces a variety of consumer protection rules and guides; administers the Bureau's green marketing program; coordinates the negative option initiative; and handles bankruptcy and collection matters in consumer protection cases.

- **Order Enforcement:** Enforcement is responsible for ensuring compliance with all administrative and federal court orders entered in FTC consumer protection cases. To carry out this mission, Enforcement actively monitors compliance with consumer protection orders, conducts investigations of possible order violations, litigates civil contempt actions in federal court to enforce injunctions, and initiates court actions to obtain civil penalties for administrative order violations.
- **Criminal Liaison Unit:** The Criminal Liaison Unit (CLU) encourages criminal prosecution of those responsible for consumer fraud by identifying fraudulent activities, bringing them to the attention of criminal law enforcement authorities, and coordinating civil and criminal enforcement actions. CLU works closely with prosecutors, criminal investigative agents, and FTC staff to ensure the smooth progress of parallel prosecutions. In addition to identifying and referring specific fraudulent activity, CLU also educates criminal law enforcement authorities about the FTC and its mission, and provides legal and practical advice to FTC staff.
- **Rules and Guides:** Enforcement develops, reviews, and enforces a variety of consumer protection rules and guides. For example, in the energy arena, Enforcement is responsible for rules requiring the disclosure of operating costs of home appliances (the Appliance Labeling Rule), octane ratings for gasoline (the Fuel Rating Rule), and the efficiency rating of home insulation (the R-Value Rule). Enforcement also has responsibility for rules and guides as diverse as the Mail or Telephone Order Merchandise Rule, which requires companies to ship goods when promised; the Textile, Wool, Fur, and Care Labeling Rules, which require proper origin and fiber content labeling of textile, wool, and fur products, and care

instructions; and the Jewelry Guides, which provide guidance on the marketing of precious metals, gemstones, and pearls.

- **Green Marketing:** The FTC's Green Marketing program focuses on advertising claims that tout the environmental benefits of products and services. Enforcement administers the program by developing the Commission's Environmental Marketing Guides, litigating enforcement actions, and conducting consumer research and other studies to better understand the marketplace.
- **Negative Option Marketing:** Enforcement coordinates the Negative Option Marketing initiative that addresses deceptive practices in the use of negative option offers (i.e., any offer in which a seller interprets consumers' silence, failure to take an affirmative action to reject goods or services, or failure to cancel a sales agreement as acceptance of an offer). To accomplish this mission, Enforcement litigates civil actions against marketers that deceive consumers; hosts workshops with industry representatives, consumer groups, and members of the academic community; and issues reports that discuss marketing trends and provide guidance to industry.
- **Bankruptcy:** Enforcement's bankruptcy/commercial law attorneys represent the Commission in federal bankruptcy court and advise staff generally on a host of bankruptcy and commercial law issues. The bankruptcy group preserves and enforces the Commission's claims for monetary relief, ensures that defendants do not use bankruptcy as a haven from law enforcement actions, and counsels staff on a wide variety of bankruptcy and commercial law issues related to monetary relief.
- **Collections:** Enforcement conducts investigations, attaches assets, and litigates contempt actions in order to collect outstanding monetary judgments obtained by the Bureau of Consumer Protection. Additionally, Enforcement coordinates collection activities with the Department of the Treasury.

Litigation Technology and Analysis

Litigation Technology and Analysis plays a central role in BCP's investigation and litigation of consumer protection matters, including working with attorneys to assess litigation support needs, managing the technological tools used to conduct investigations and litigation, and evaluating and implementing emerging technologies. In an age of increasingly complex technology, staff needs access to the best tools available in order to investigate targets and marshal evidence. Litigation Technology and Analysis is responsible for various efforts and activities, including:

- **Digital Forensic Unit:** The Digital Forensic Unit conducts forensic examinations of digital media to identify, collect, analyze, and preserve electronically stored information for use in court.
- **E-Discovery Unit:** The E-Discovery Unit uses technological tools to process, organize, manage, and produce electronically stored information.

- **Forensic Accounting:** The Division’s forensic accountants analyze financial information to help locate assets and maximize the amount of money that can be recovered and returned to consumer victims.
- **Honors Paralegal Program:** The Division’s honors paralegals provide a wide range of assistance to BCP on investigations, litigation, and policy initiatives.
- **Tech Lab:** The Tech Lab provides BCP staff innovative tools to investigate targets, detect unfair or deceptive activity, capture evidence, and conduct research. The Lab’s stand-alone network is designed to allow BCP staff to replicate consumers’ experiences with desktop, mobile, and other devices.
- **Office of Technology Research and Investigation:** This Office conducts independent studies and investigations, identifies the consumer protection issues associated with new technologies, and provides technical expertise and training to BCP staff.
- **Technology Planning:** The Division’s staff analyzes and anticipates BCP’s technological needs in fulfilling its consumer protection mission.

Consumer Response and Operations

Consumer Response and Operations hears directly from consumers across the country and analyzes information to assist in targeting law enforcement and educational efforts, measures the impact of mission activities, and allocates resources.

- **Consumer Response Center:** The Consumer Response Center responds to consumer complaints and inquiries received by the toll-free consumer complaint lines, 877-FTC-HELP and 877-ID-THEFT, the FTC’s Internet complaint forms at www.ftc.gov, and postal mail. Information from complaints is entered into the FTC’s Consumer Sentinel Network and used to target law enforcement and consumer and business education activities.
- **Consumer Sentinel Network:** The Consumer Sentinel Network is the FTC’s secure website that provides approximately 2,400 law enforcement agencies worldwide with access to more than 30 million consumer fraud, identity theft, financial, and Do Not Call Registry complaints collected during the past five years. Every year the FTC publishes a report of the top consumer complaints received, including a break out of complaint data on a state-by-state basis.
- **National Do Not Call Registry:** The National Do Not Call Registry is the mechanism through which consumers can elect to avoid receiving telephone solicitations from telemarketers. Telemarketers are required to remove any telephone numbers included in the registry from their calling lists. The registry currently has over 228 million active telephone number registrations.
- **Data Analysis Team:** The Data Analysis Team performs analytical research and reports on data consumers report to the FTC. The Data Analysis Team also pro-

vides analytical support to the Bureau's law enforcement efforts through collecting, refining, and analyzing data in support of litigation and investigative efforts.

- **Office of Claims and Refunds:** The Office of Claims and Refunds (OCR) is responsible every year for distributing millions of dollars of refunds obtained as a result of FTC lawsuits. For example, from January through June 2017, the FTC returned more than \$194 million to consumers, and forwarded an additional \$50,145 to the U.S. Treasury.
- **Operations:** Operations oversees and supports budget and performance measurements, including strategic planning; oversees and supports procurement efforts on behalf of the Bureau; monitors and reports on human capital management to the Director's Office; and works closely with the other Bureau Divisions to ensure administrative and resource needs are met.

Consumer and Business Education

Consumer and Business Education runs creative national campaigns to educate consumers about their rights and businesses about their responsibilities. It applies skill in communications, design, and building partnerships to solve consumer protection problems.

- **Outreach to Consumers and Businesses:** Consumer and Business Education creates print and online consumer and business education material in partnership with other divisions in the Bureau of Consumer Protection and participates in hundreds of outreach events including webinars, trainings, presentations and Twitter chats. It publishes hundreds of scam alerts and other blog posts in English and Spanish and sends free email alerts to more than four hundred thousand subscribers. Consumer and Business Education manages the FTC's bulk publication ordering website (ftc.gov/bulkorder), through which about 15,000 organizations a year, including police, libraries, schools, banks and congressional offices, order material to distribute in their communities. In FY 2016, the FTC distributed 15.3 million pieces of consumer education through the bulkorder site.
- **IdentityTheft.gov:** The Divisions of Consumer and Business Education and Consumer Response and Operations created IdentityTheft.gov (robodeidentidad.gov in Spanish), an innovative website where identity theft victims can report identity theft, create user accounts and get detailed, custom recovery plans based on their experiences. The mobile- and tablet-accessible site enables identity theft victims to create the documents they need to alert police, credit bureaus, the IRS and other entities. More than 498,000 victims created personalized recovery plans since January 2016. In FY 2016 and 2017 combined, Consumer and Business Education provided more than six million pieces of identity theft education material in print.
- **Outreach to Military Service Members:** Consumer and Business Education developed and manages the Military Consumer campaign with the U.S. Department of Defense, the Consumer Financial Protection Bureau and Military Saves. The cam-

campaign addresses unique challenges of military life that often make military families targets for scammers. Service members and their families can use the campaign website (military.consumer.gov) as a tool for financial readiness. Campaign resources explain how to avoid scams, protect personal information and make wise buys to become financially solid and mission-ready. The Military Consumer Protection Toolkit gives financial counselors slides and talking points to use when advising the military community.

- **Kids' Online Safety & Cyberbullying:** Consumer and Business Education developed the *Net Cetera* (ftc.gov/netcetera) campaign to teach kids and parents how to stay safe online. The research-based campaign is informed by ideas from internet safety, child development, cyberbullying, and public health experts. Consumer and Business Education has distributed more than ten million free copies of the campaign's flagship guide for parents, *Net Cetera: Chatting with Kids About Being Online*, to schools, school districts, law enforcement, libraries and other community organizations nationwide.
- **Pass It On:** The Pass It On campaign (ftc.gov/passiton and ftc.gov/pasalo in Spanish), tailored to people age 65+, provides information about fraud and encourages readers to share the information with a friend. The campaign includes engaging videos and a collection of print and online material in English and Spanish about current frauds including identity theft and imposter scams. Material builds on – or refreshes – readers' knowledge by briefly summarizing how certain scams work and what people can do in response. More than seven million pieces of Pass It On educational material have been distributed.
- **Data Security:** The Start with Security business outreach campaign (ftc.gov/startwithsecurity) includes print and online guides and a series of educational videos that help businesses protect customer data. The FTC enhanced the campaign with guides to help businesses learn how to protect personal information and respond when they experience a data breach. In 2016, FTC staff presented the *Start with Security* messages as a lead speaker on six cybersecurity webinars sponsored by the Small Business Administration (SBA) and the National Institute for Standards and Technology, and attended by more than 700 SBA leaders and small business owners. The SBA hosted the webinars to highlight the FTC's information for businesses about how to protect sensitive personal information in their care. Topics included *10 Cyber Mistakes You Can't Afford to Make*.
- **Business Education:** Consumer and Business Education manages the online business education website (business.ftc.gov), and publishes hundreds of blog posts annually for business people, attorneys and other professionals. Consumer and Business Education started the FTC.gov/smallbusiness site and related outreach to help small business owners avoid scams and protect their networks from cyberattacks and other threats. Consumer and Business Education issued new or significantly-revised business guidance on consumer reports, health privacy, mobile apps, data security, the Used Car rule, and telemarketing.

- **Partnerships with Law Enforcement:** Consumer and Business Education establishes partnerships with attorneys general, law enforcement and consumer protection advocates who share FTC information with their constituents and communities. Consumer and Business Education also manages National Consumer Protection Week, an annual collaboration with local, state, and national groups that highlights consumer education and fraud prevention. Campaign partners include consumer protection, law enforcement, regulatory, aging, non-profit, and education groups nationwide.

Economic and Consumer Policy Analysis

Staff conducts economic and consumer policy analysis to provide the Commission and other policy makers with information to assess and formulate consumer protection policy. This work includes economic research and advocacy activities that foster understanding of consumer good markets and consumer protection policy choices. They also work to ensure that consumer interests are represented before various governmental and self-regulatory bodies dealing with consumer-related issues.

- **Consumer Research and Data Development:** To advance the development of sound policy, economic and consumer policy analysis supports data and research projects analyzing how marketing claims and policies affect consumers' and firms' decisions. Past studies examined the effects of different types of disclosures on consumer understanding of "recycled content" and "organic" claims for non-food products.
- **Economic Studies of Markets for Consumer Goods and Services:** Economic and consumer policy analysis supports targeted economic studies of issues in consumer goods markets that are important to improving our understanding of key consumer protection issues. Recent examples include studies of consumer understanding of proposed Real Estate Settlement Procedures Act (RESPA) mortgage disclosure forms, of the debt buyers industry, and of credit reporting accuracy. The program also supports consumer surveys, such as those measuring consumer susceptibility to fraud, and workshops with outside experts in relevant areas, such as research roundtables on individualized pricing, privacy and data security, and the sharing economy.
- **Economic Support of Consumer Protection Advocacy:** Bureau of Economics staff also provides input for advocacy comments on issues related to consumer protection goals. In the past, they have supported comments to the FDA on food labels and direct-to-consumer prescription drug advertising. More recently, comments included those sent to the Food and Drug Administration on Homeopathy, to the Federal Reserve Board on rules and regulations regarding subprime loans, and to the Consumer Financial Protection Bureau and the Department of Housing and Urban Development on various changes in mortgage disclosure documents.

Other Direct

Several other functions within the Consumer Protection Mission directly support our primary law enforcement work, including:

- **Employee Development and Training:** Through its Employee Development and Training Program, the FTC ensures that staff receives the training necessary to perform their jobs. BCP provides training through ongoing best practices seminars and lectures on topics such as the First Amendment, case law developments, and case-specific skills. BCP also sponsors periodic seminars for investigators, and provides technical trainings throughout the year. In addition, BCP offers a mentoring program to staff. Staff also participates in the FTC Agency-Wide Diversity Council.
- **Recruiting:** The Bureau of Consumer Protection, in coordination with the Human Capital Management Office, conducts outreach to dozens of law schools and attends several recruiting events to select summer legal interns. Some of these interns receive offers of permanent employment as entry-level attorneys. In addition, the Bureau recruits lateral attorneys and other staff as needs arise.
- **Administrative Support:** Staff in the Director's office provides support to senior Bureau management to ensure all administrative needs are met, such as arranging travel, tracking the Bureau's accomplishments, scheduling internal and external meetings, maintaining a log of current cases, and interacting with callers and visitors.

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PROMOTING COMPETITION

The FTC promotes competition through five primary law enforcement activities (Premerger Notification, Merger and Joint Venture Enforcement, Merger and Joint Venture Compliance, Nonmerger Enforcement, Nonmerger Compliance) augmented by Antitrust Policy Analysis and other direct functions.

Budget by Activity (\$ in thousands)

	Fiscal Year 2018		Fiscal Year 2019	
	FTE	Dollars	FTE	Dollars
Premerger Notification	18	\$3,580	18	\$3,580
Merger and Joint Venture Enforcement	202	39,259	202	39,259
Merger and Joint Venture Compliance	11	2,171	11	2,171
Nonmerger Enforcement	127	24,897	127	24,897
Nonmerger Compliance	1	200	1	200
Antitrust Policy Analysis	26	5,230	26	5,230
Other Direct	20	3,899	20	3,899
Subtotal	405	\$79,236	405	\$79,236
Support	123	\$60,445	123	\$59,271
Total	528	\$139,681	528	\$138,507

Premerger Notification

Most mergers and acquisitions are either procompetitive or competitively neutral. Mergers that are anticompetitive, however, can raise costs to consumers by resulting in higher prices and reducing the output of goods and services. Anticompetitive mergers also can inhibit innovation, lead to diminished product quality, and restrict consumer choice. To identify potentially anticompetitive mergers, the FTC relies primarily on the premerger notification program prescribed by the Hart-Scott-Rodino (HSR) Act, which requires entities meeting certain thresholds to file notifications with the FTC and the Department of Justice and to wait a prescribed period of time before consummating their transactions. This waiting period provides the antitrust enforcement agencies an opportunity to prevent potentially anticompetitive mergers before they occur. In addition, the FTC reviews news publications, industry research, and customer complaints. To distinguish between mergers that threaten competitive markets and those likely to promote them, the FTC conducts a thorough factual investigation coupled with economic analysis to assess the likely effects on competition.

The FTC's Premerger Notification Program promotes competition by:

- **Facilitating Compliance with HSR Requirements:** The FTC's Premerger Notification Program provides information and guidance to ensure that parties to transactions understand when a filing is required and the type of information that they must supply under the HSR Act. In addition to written materials, the Premerger Notification Office answers questions from individuals and organizations to improve the level, completeness, and accuracy of compliance with the Act.
- **Providing Rapid Initial HSR Review:** Mergers reported under the HSR Act vary tremendously in their complexity and potential for anticompetitive effects. In the majority of cases, the agency can make a reasonable judgment about whether a merger is potentially anticompetitive within a few days. To identify potentially anticompetitive transactions, the Premerger Notification Office prepares a summary description and a preliminary antitrust analysis of reported transactions. Summaries are then reviewed by the Bureau of Competition's litigation divisions, the Bureau of Economics, and the Merger Screening Committee – that includes participants from both Bureaus and convenes regularly to consider which matters require further action.
- **Coordinating with the Antitrust Division of the Department of Justice:** The FTC administers the HSR Program for itself and the Antitrust Division of the Department of Justice, which share authority to challenge anticompetitive mergers. The Premerger Notification Office shares transaction information with the Antitrust Division and works with the Antitrust Division to ensure that the two agencies consistently and uniformly apply Premerger Notification Rules. The agencies use a "clearance" process to ensure that only one agency investigates and, if necessary, challenges any given transaction. Assignment to one agency or the other takes place after preliminary review of a transaction, based princi-

pally on each agency's relative expertise in the markets relevant to the proposed transaction.

- **Minimizing the Burden on Business:** The Premerger Notification Program strives to minimize the burden on filing parties while fulfilling the enforcement responsibilities of the FTC and the Antitrust Division. To that end, the FTC periodically develops and recommends improvements to the HSR rules and procedures.

Merger and Joint Venture Enforcement

As noted above, anticompetitive mergers or joint ventures can harm consumers significantly by raising prices, reducing output, reducing product quality, restricting consumer choice, or inhibiting innovation. The Merger and Joint Venture Enforcement Program seeks to prevent these effects in any market in which the FTC has reason to believe a merger is likely to substantially lessen competition, including high-priority areas for consumers such as health care (including pharmaceuticals), energy, technology, and retail goods and services.

When a merger is challenged, the proper relief must be considered. In some instances, it is possible to craft narrowly-tailored remedies, such as a partial divestiture, which prevents injury to competition but allows other aspects of the transaction to proceed. In other instances, avoiding anticompetitive harm cannot be accomplished without preventing or, if already consummated, undoing the merger entirely.

Determining whether a merger is anticompetitive and identifying and obtaining appropriate relief requires thorough investigation to answer fundamental questions. Is the merger likely to reduce actual or future competition, increase the market power of the combined firm, or lead to market dominance or a significant increase in the likelihood of collusion? Is it likely to increase barriers to entry or expansion? The FTC uses a three-tiered approach to merger enforcement:

- **Identify Potentially Anticompetitive Mergers:** As described above, a Merger Screening Committee – a committee that includes participants from both the Bureau of Competition and Economics – convenes regularly to consider which matters require further action.
- **Prevent Anticompetitive Mergers:** The most effective and cost-efficient strategy for protecting consumers from acquisitions that may substantially lessen competition is to prevent anticompetitive mergers from occurring. The FTC does this primarily by using its authority to seek injunctive relief under Section 13(b) of the Federal Trade Commission Act to block anticompetitive mergers pending an adjudicative proceeding. Often, the FTC is able to address potential harm to competition, through negotiated settlements or the parties' voluntary abandonment of a transaction, before taking action in federal court. Where these methods are inappropriate or unavailable, the FTC relies on its administrative process to restore competition lost due to a merger's consummation. Whether achieved by consent or in an administrative proceeding, the most common remedy is divestiture of the

assets necessary to preserve or restore competition, although the FTC also uses conduct remedies where appropriate.

- **Educate Public About Anticompetitive Transactions:** To enhance the FTC’s ability to deter future anticompetitive merger and acquisitions activities, the agency strives to increase public awareness of free market concepts and the factors the FTC considers as it determines whether to take law enforcement action. The Commission uses educational publications, its decisions, and the public facts underlying FTC actions to provide companies with the information needed to evaluate the likelihood that similar transactions may draw a challenge. The FTC strives to promote transparency in its decisions by releasing guidelines and policy statements to help businesses comply with the antitrust laws. In specific matters, the agency issues public statements, including analyses to aid public comment, complaints, and closing statements to explain why the FTC decided not to challenge a merger.

Merger and Joint Venture Compliance

The Merger and Joint Venture Compliance program implements Commission remedies via consent orders and monitors party compliance with order provisions.

- **Implementation of Agreements and Orders:** The Merger Compliance Program ensures that order provisions are sufficient to retain or restore competition in the relevant markets, and enforces their faithful and timely implementation. Compliance staff work with merger enforcement staff, merging parties, and buyers to ensure that the provisions of the order are properly drafted and that divestiture packages are adequate to maintain the viability and competitiveness of the divested assets. When the divestiture of assets is delayed, the competitive viability of the assets often declines. To avoid delay, the FTC seeks either “up-front” buyers or order provisions that limit the time within which divestiture must be completed.
- **Monitor Compliance:** Staff closely monitor compliance with order provisions and, where necessary, recommends that fallback order provisions be invoked, such as trustee-managed divestiture, the divestiture of larger asset packages, or civil penalty actions. Civil penalty actions entail investigation and, where necessary, federal court litigation. Merger Compliance includes monitoring compliance with conduct order provisions such as bans on the dissemination of competitively sensitive information or requirements to seek approval for, or give notice before, completing specified future mergers or acquisitions.
- **Review Petitions to Modify Orders:** Merger Compliance also includes reviewing petitions from parties seeking modification or terminations of their orders, and making appropriate recommendations for Commission action.

Nonmerger Enforcement

For competition to thrive in markets, competition authorities must stop practices designed to entrench market power and deny consumers the benefit of new forms of competition. To this end, the Commission monitors business practices that make it more difficult for other firms to enter the market or that enable existing competitors to collude. For instance, the FTC has challenged agreements between branded and generic pharmaceutical companies to delay lower-priced generic entry, as well as firms' use of their dominant market positions to exclude competition, deprive consumers of choice, and suppress innovation.

The FTC challenges a wide variety of business practices that may harm consumers by allowing firms to raise prices beyond competitive levels, or to reduce output, quality, innovation, or consumer choice. The practices the FTC challenges fall in to three broad categories: horizontal restraints, distributional restraints, and unilateral conduct. Identifying and proving these types of violations requires legal and economic analysis and thorough factual investigation to distinguish between conduct that threatens the operation of open and competitive markets and conduct that promotes and advances their operation and efficiency.

- **Horizontal Restraints:** The horizontal restraints component of Nonmerger Enforcement looks at anticompetitive agreements between and among competitors. Horizontal restraints, such as price-fixing, can harm consumers by raising prices or by reducing the quantity and quality of goods and services. The mission of this program is to prevent, detect, investigate, and remedy anticompetitive collusion or its facilitation. While some agreements among competitors, such as standard-setting activities and the creation of legitimate ethical codes can be procompetitive and even essential, such agreements can be exclusionary under certain market conditions.
- **Distributional Restraints:** Restraints on the distribution of goods from manufacturers to consumers can facilitate horizontal collusion, limit sources of supply, or restrict channels of distribution in ways that give a party unilateral power to increase prices, reduce price-adjusted quality, or otherwise suppress competition. Under certain circumstances, potentially unlawful distributional restraints may include agreements restricting prices or other terms of resale, agreements restricting the sale or purchase and distribution of goods from firms other than the parties to the agreement, and discrimination in price or other terms that may injure consumers.
- **Single Firm Violations:** A single firm with market power can use various anticompetitive practices to reduce output and increase price above the competitive level, injuring consumers and misallocating resources. While neither the possession of market power, nor the attempt to achieve it are unlawful, obtaining, increasing, or maintaining market power by unnecessarily exclusionary means is unlawful. The goal of our enforcement activity against single firm violations is

to prevent or remedy instances in which appreciable market power is unlawfully created or maintained through conduct that would injure long-term consumer welfare. A principal challenge with this enforcement activity is to distinguish improper conduct from vigorous and innovative competition.

- **Strategy:** The FTC employs strategies of investigation, litigation, voluntary compliance, and negotiation for nonmerger enforcement. In addition, the FTC provides reports and comments to federal, state, and local government agencies, as well as amicus curiae briefs, advisory opinions, and legal and economic analyses to help inform others about emerging issues affecting nonmerger enforcement.

Nonmerger Compliance

As in its Merger Enforcement Program, the Commission obtains orders in its Nonmerger Enforcement Program to preserve or restore competition. The crafting of appropriate orders and subsequent monitoring of adherence to order terms requires close consultation between enforcement and compliance staff. Unlike orders in merger enforcement cases, orders in anticompetitive conduct cases seldom involve divestiture relief. Instead, nonmerger order provisions are generally prohibitive, requiring a party to “cease and desist” from specified conduct. Conduct remedies can be quickly implemented once an order is entered and emphasis is placed on enjoining anticompetitive conduct before it can cause significant and potentially irreparable harm. When appropriate, the Commission may also obtain monetary equitable remedies in federal court, such as disgorgement of ill-gotten gains, in order to deprive wrongdoers of benefitting from illegal conduct.

- **Implementation of Agreements and Orders:** Staff draws on its extensive experience as well as discussions with the parties and affected third parties to craft relief that will be effective deterring pro-competitive conduct. Conduct remedies often require third party compliance monitoring and reporting to the Commission.
- **Monitor for Compliance:** Strategies for monitoring compliance include review of periodic compliance reports required by the orders, follow-up interviews with the reporting parties, scrutiny of relevant media, contacts with the original complainants and other industry participants, and investigation of suspected violations.
- **Relief:** Nonmerger compliance may entail federal court litigation seeking civil penalties and other relief.
- **Review Petitions to Modify Orders:** From time to time, parties under order submit petitions seeking modification or termination of all or part of their orders, often due to market dynamics or other changes in circumstances. The FTC’s Nonmerger Compliance program reviews these petitions to assess their impact on competition and makes recommendations for Commission action accordingly.

Antitrust Policy Analysis

Staff conducts antitrust policy analysis to provide the Commission and other policy makers with information to assess and formulate competition policy. Antitrust policy analysis includes the design and completion of economic and other research that improves our understanding of markets and enables the FTC to identify markets and circumstances in which law enforcement actions would make the greatest impact. The Antitrust Policy Analysis program also aims to ensure that consumer interests are represented before various governmental and self-regulatory bodies addressing market and competition issues. Among the types of activities supported are:

- **Economic and Qualitative Studies of Competition in Markets:** The FTC conducts empirical studies, engages in research, and holds workshops and other public events that help the agency better understand how competition actually works in different markets and contexts. These activities also enable the FTC to bring together industry, economic, and legal experts to assess competition policy challenges in specific sectors of the economy.
- **Reports and Policy Papers:** The FTC issues reports and policy papers discussing the application of antitrust principles to various markets of great importance to consumers such as health care, energy, and technology.
- **Economic Support of Competition Advocacy:** Bureau of Economics staff also provides input in advocacy comments before governmental or self-regulatory bodies to promote sound competition policy through other regulatory frameworks.
- **Competition Advocacy:** To promote sound competition policy and share the agency's significant expertise in competition analysis, FTC staff often responds to invitations to comment on the competitive effect of proposed laws, rules or regulations before federal, state, or local governments, as well as self-regulatory bodies. For instance, staff has issued comments to various state entities on rules governing direct-to-consumer sales by manufacturers of automobiles, the entry of new types of limited service health care professionals and facilities in markets otherwise reserved for medical doctors, passenger motor vehicle transportation services, including new software applications that are used to arrange for such services, and comments on proposed rules issued by Federal Energy Regulatory Commission (FERC) relating to the integration of alternative sources of energy.

Other Direct

Several other functions within the Competition Mission directly support our primary law enforcement and competition policy work, including:

- **Recruiting:** The Bureau of Competition, in cooperation with the Human Capital Management Office and other offices in the FTC, conducts interviews at over a dozen law schools and legal recruiting fairs each year to identify and select entry-level attorneys and legal interns. The Bureau also recruits lateral attorneys and other staff members as needs arise.

- **Employee Development and Training:** Through its Employee Development and Training Program, the FTC ensures that attorneys and support personnel receive the training necessary to do their jobs. Hallmarks of the training program are the Bureau of Competition Training Council’s seminar series, the semi-annual in-house training sessions for summer interns and first-year attorneys, and the Bureau of Competition Mentoring Program.
- **Investigation, Litigation Support, and Electronic Filing:** Investigation and Litigation Support staff are responsible for processing and loading all document productions received during the course of investigations and litigation. This group develops standards for documentary productions and data submissions and uses appropriate technological solutions to ensure Commission staff has timely access to this information.

Related to this activity, the agency is exploring options for an effective electronic filing system for premerger filings received under the HSR program. Such a system would allow merging parties to submit required HSR Notification and Report Forms electronically. Once a form is processed, it would be accessible by the reviewing agencies via a shared database. Electronic filing will provide faster processing time, improved data entry, and reduced costs for both the enforcement agencies and filing parties.

- **Information Systems Management:** The Bureau of Competition’s Information Systems Management staff manages the records systems necessary to report on the work of the Promoting Competition Mission. It also coordinates activities with the FTC’s Office of the Chief Information Officer, including use of the Internet to keep the public informed of activities, and the development of intranet resources for staff.
- **Clearance Procedures with the Department of Justice:** Staff of the FTC and the Department of Justice’s Antitrust Division apply established principles to leverage expertise when determining which agency will investigate merger and nonmerger matters that appear to violate the antitrust laws.
- **Liaison with State Officials:** FTC staff and management coordinate antitrust activities and enforcement with state attorneys general including training, consultations, and joint investigations of potentially anticompetitive mergers and business practices to the extent allowed by applicable laws.

SUPPORT

Support consists of management and support activities within the FTC to foster and help achieve the agency's goals of Protecting Consumers and Promoting Competition.

Budget by Activity (\$ in thousands)

	Fiscal Year 2018		Fiscal Year 2019	
	FTE	Dollars	FTE	Dollars
Commissioners	40	\$7,096	40	\$7,096
Office of the General Counsel	50	9,085	50	9,085
Office of the Secretary	10	1,697	10	1,697
Office of Administrative Law Judges	5	846	5	846
Office of the Executive Director	133	100,868	133	99,660
Office of Congressional Relations	6	982	6	982
Office of Public Affairs	11	2,590	11	2,590
Office of Inspector General	7	1,674	7	1,708
Office of Equal Employment Opportunity	3	569	3	569
Total Support	265	\$125,407	265	\$124,233
Allocation of Support				
Protecting Consumers	142	\$64,962	142	\$64,962
Promoting Competition	123	60,445	123	59,271
Total Support	265	\$125,407	265	\$124,233

Commissioners

The Commissioners are responsible for ensuring the effective and efficient execution of the FTC's congressionally mandated mission. They formulate Commission policy, which guides and directs the staff's work, and allocate the required resources. They also monitor the FTC's progress in accomplishing stated goals.

Office of Policy Planning

The Office of Policy Planning (OPP) conducts research, develops policy recommendations, and generates written comments and reports on a variety of competition and consumer protection issues. OPP staff research and analyze emerging issues relating to competition in a variety of industries, including issues at the intersection of competition and intellectual property, in order to enrich the Commission's expertise and inform enforcement decisions involving novel or complex legal issues. OPP staff frequently work directly with case teams on enforcement matters. OPP advocates for robust competition and consumer protection policies in a variety of federal and state venues by analyzing the competitive ramifications of certain legislative, regulatory, and other policy approaches, making recommendations on how certain policy choices may enhance or impede competition, gathering evidence to identify competitive problems and evaluate how best to address emerging competitive issues, and providing legal and economic analysis where requested. Where appropriate, the OPP staff coordinates the FTC's advocacy role with other governmental entities.

OPP staff frequently obtains public input from businesses, consumer groups, academics, and other outside sources through a variety of informal and formal means, including discussions with stakeholders, fact-gathering workshops, roundtable policy discussions, and studies conducted pursuant to the FTC's Section 6(b) authority.

Office of General Counsel

The General Counsel is the Commission's chief legal officer and adviser. The Office's major functions are representing the Commission in court and providing legal counsel and policy advice to the Commission, the operating Bureaus, and other Offices.

- **Litigation:** In its litigating capacity, the Office of General Counsel (OGC) supports both missions of the agency. OGC defends actions seeking judicial review of Commission orders and trade regulation rules, handles appeals of Commission actions seeking preliminary and permanent injunctive relief, and assists both bureaus in actions for injunctive relief in district court.

OGC also counsels staff on the conduct of law enforcement investigations, enforces civil investigative demands and other compulsory processes, advises staff on issues relating to the discovery of electronically stored information, and frequently assists staff in responding to discovery requests directed to the FTC or its staff. It assists the Department of Justice (DOJ) in defending cases brought to enjoin or otherwise challenge agency action, or to obtain monetary damages against the

FTC or its personnel. OGC also furnishes advice and assistance concerning other litigation activities, prepares amicus curiae briefs authorized by the Commission, and works to ensure that our adjudicatory process is efficient and fair.

- **Legal Counsel:** In its Legal Counsel capacity, OGC provides confidential legal guidance to the Commission on a wide range of procedural and substantive issues in adjudicative matters. It also advises the Commission and staff on legal and policy issues, such as agency jurisdiction, statutory authority, administrative procedure, and other matters relating directly to the agency's enforcement goals.

OGC counsels Commissioners and staff to ensure compliance with the Ethics in Government Act. Its work protects the agency by helping Commissioners and staff avoid conflicts of interest, by deciding whether former employees may appear in Commission proceedings, and by providing reports to the Office of Government Ethics.

- **Opinion and Analysis:** OGC assists the FTC in drafting opinions and providing all necessary support for the Commission's Part 3 functions. Staff provides an analysis of complex legal issues for the Commission, provides assistance to other offices, and contributes advice and drafting assistance on cutting-edge topics related to the FTC's enforcement responsibilities with regard to complaint recommendations, adjudicatory opinions, and appellate litigation.
- **Employment, Labor, and Appropriations:** OGC also advises and trains agency staff on personnel, labor-management relations, equal employment opportunity, procurement law, and appropriations law matters. The sound management training, advice, and representation from OGC helps lower the risk of improper behavior, improper management, and the possibility of individual class actions and subsequent findings for damages against the FTC. OGC represents the FTC in legal proceedings before such agencies as the Merit Systems Protection Board, the Federal Labor Relations Authority, the Equal Employment Opportunity Commission, and the General Services Board of Contract Appeals.
- **Legislative Requests and Transparency:** OGC prepares responses to formal congressional requests for documents or information about Commission actions, assists with briefings of congressional committees and subcommittees, assists in preparing testimony for congressional hearings, analyzes proposed legislation affecting the agency, and drafts or reviews Commission comments to OMB or the Congress on such legislation.
- **Energy:** OGC's energy work covers a wide spectrum of activities. The Associate General Counsel for Energy is involved in most aspects of the FTC's energy-related work, with primary emphasis on two major areas: crude oil/petroleum products/natural gas and the electric power industry.

OGC also handles a number of matters related to confidentiality and access to information. OGC administers the agency's Freedom of Information Act program, and works extensively with the administration of the Privacy Act, the Government in the Sunshine

Act, requests by state and federal law enforcement agencies for access to non-public documents, and requests for confidential, rather than public record, treatment of materials submitted to the Commission.

Office of International Affairs

The Office of International Affairs (OIA) is responsible for the international aspects of the FTC's goals of promoting competition and protecting consumers. As markets have become more global and the number of antitrust, consumer protection, and privacy laws and agencies continues to grow, the FTC must increasingly address international issues to fulfill its competition and consumer protection objectives for American consumers.

OIA's work comprises three areas: supporting the FTC's consumer protection and competition case teams with respect to international issues in investigations and cases, building mechanisms for international enforcement cooperation, and working with other nations and international organizations to promote sound competition and consumer protection policies. This work includes providing technical assistance to enable developing competition and consumer protection agencies to obtain the legal and economic skills necessary to adopt and implement sound policies to incorporate into their enforcement, including in cross-border matters.

- **Competition:** OIA assists the FTC's competition mission through advice to case teams on international issues such as access to foreign witnesses and evidence and through its work in various bilateral and multilateral fora.
 - » **Bilateral Relationships:** Effective cooperation with counterpart agencies is a necessity given the many FTC cases that involve parties based outside the United States, evidence located abroad, or matters that are under parallel review by foreign competition agencies. Pursuant to formal cooperation agreements and a network of informal arrangements and relationships, OIA works with FTC staff and foreign agencies to achieve consistent approaches to cases of mutual concern and to promote convergence toward fair procedures, sound analysis, and enforcement that leads to compatible outcomes.
 - » **Activities in Multilateral Competition Fora:** The FTC is a leader in the multilateral organizations that facilitate dialogue and convergence toward sound competition policy and enforcement. In the International Competition Network (ICN), the FTC is a key member of the organization's Steering Group, and co-chairs the Merger Working Group, leading projects to develop recommended practices for merger notification and analysis and practical guidance on merger investigative techniques. It also leads project teams on online training and implementation of ICN work product such as the ICN's guidance on due process in antitrust investigations. The FTC is also active in the Competition Committee of the Organization for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and

Development (UNCTAD), and regional organizations such as the Asia-Pacific Economic Cooperation (APEC), in all of which we share U.S. experience with a view to building consensus on sound antitrust policy.

- » **Working within the U.S. government:** The FTC works with U.S. government agencies bilaterally and in intergovernmental fora to address competition-related issues, *e.g.*, as members of the North Atlantic Free Trade Agreement negotiating team and as part of interagency groups that address issues that arise in antitrust enforcement by China, Korea, and other countries.
- » **Guidance:** The FTC also provides transparent guidance to the business community on our international antitrust enforcement policies, most recently the joint FTC/DOJ revised Antitrust Guidelines For International Enforcement and Cooperation.
- **Consumer Protection:** OIA helps the FTC accomplish its consumer protection and privacy goals by supporting the FTC's investigations and cases with international dimensions, building international enforcement cooperation mechanisms, and fostering the development of sound policies that take into account rapid technological and other changes in the global marketplace. These activities include:
 - » **Investigative and Litigation Advice and Assistance:** OIA supports case teams from BCP and OGC when international issues arise in FTC investigations and cases. OIA's work spans the range of enforcement-related activities, from providing advice and briefings on issues such as jurisdiction and service of process to obtaining evidence, including expert evidence located abroad, to working with case teams and foreign attorneys to identify and secure foreign assets for redress.
 - » **International Enforcement Cooperation:** In 2006, Congress gave the FTC powers to combat cross-border consumer fraud more effectively through the U.S. SAFE WEB Act, which provides the FTC with key information sharing, investigative assistance, and cross-border enforcement authority. The FTC has used this authority, along with existing mechanisms, to pursue cross-border wrongdoers robustly and effectively. Congress reauthorized the Act in 2012, and the FTC has continued to expand its use of the Act's tools.

The FTC also works closely with a range of Canadian and other foreign consumer protection, privacy, telecommunications and criminal enforcement authorities in other countries on advertising, telemarketing, Internet fraud, and privacy and data security investigations and cases. The FTC is a leader in the International Consumer Protection Enforcement Network (ICPEN), a global network of more than 60 consumer protection authorities that aims to protect consumers from fraudulent, deceptive, and unfair commercial practices around the world by sharing information about cross-border issues and encouraging global cooperation among law enforcement agencies. ICPEN also manages econsumer.gov, its online cross-border complaint

site and co-leads the International Mass Marketing Fraud Working Group, which includes civil and criminal law enforcers from around the world who have developed new enforcement cooperation projects focused on sweepstakes fraud and India-based call center fraud. The FTC also co-chairs the Unsolicited Communications Enforcement Network (UCE-NET, formerly the London Action Plan) and serves on the governing committee of the Global Privacy Enforcement Network (GPEN), a network of more than 60 privacy enforcement authorities from almost 50 jurisdictions. The agency also works closely with regional consumer protection networks in Asia, Africa, and Latin America. The agency also has entered into several memoranda of understanding on enforcement cooperation on consumer protection and privacy-related matters with foreign counterparts.

- » **Promoting Sound Consumer Protection Policies:** OIA advocates vigorous enforcement of the key rules that protect consumers from significant harm, including from fraud, deception, and unfair practices in the global marketplace through its policy work in international organizations such as the Organization for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD). The FTC also works closely, in collaboration with the Department of Commerce, on mechanisms that protect consumer privacy and facilitate cross-border data flows such as the EU-U.S. Privacy Shield, the Swiss-U.S. Privacy Shield, and the Asia-Pacific Economic Cooperation (APEC) Cross Border Privacy Rules system.
- **International Training Assistance:**
 - » **Cross-Cutting Technical Assistance:** The FTC provides technical assistance to countries in transition to market economies and that are establishing new competition and consumer protection regimes. It also shares staff investigative and analytical expertise and experience with colleagues in more advanced jurisdictions as they address more complex issues. Our program contributes to convergence toward sound policies that benefit American consumers and businesses.
 - » **Investigative Training:** The FTC provides short-term training in investigative skills. The FTC also responds to requests for comments on draft competition, consumer protection, and privacy legislation and hosts foreign officials who visit the agency to study the U.S. experience in administering its antitrust, consumer protection, and privacy laws.
 - » **International Staff Exchanges:** The FTC has established an International Fellows and SAFE WEB Interns program that has enabled foreign competition, consumer protection and privacy agency staff to work alongside their FTC counterparts, and an FTC staff exchange program. These programs implement the U.S. SAFE WEB Act's authorization of exchanges with foreign antitrust and consumer protection agencies. Over the years, the FTC has hosted 107 International Fellows and SAFE WEB Interns from 36 jurisdictions, includ-

ing Argentina, Australia, Brazil, Canada, Chile, China, the European Union, France, India, Israel, Mexico, Pakistan, South Africa, South Korea, Turkey, the United Kingdom, and Vietnam. In addition, FTC staff have participated in outbound exchanges with the competition agencies of Canada, the European Union, and the United Kingdom.

Office of the Secretary

The Office of the Secretary supports the Commission by implementing, processing, and advising the Commission and its staff on Commission voting and other decision-making procedures.

The Office creates official records of all Commission deliberations and actions taken. The Office also reviews, and the Secretary signs or otherwise validates, all official documents approved or authorized by the Commission. In addition, the Office forwards all Commission Notices to the Federal Register, after signature by the Secretary or the General Counsel, and manages the contract covering Federal Register publication expenditures.

The Office also maintains the agency Operating Manual, and prepares and forwards responses to most Congressional and White House correspondence raising constituent issues. In addition, the Office creates and preserves electronic copies of all relevant actions and documents in our internal document management system. The Secretary is also the legal custodian of Commission legal and public records, and is responsible for publishing the FTC Decisions Volumes, including almost 100 volumes covering the period from 1949 to 2006, which have recently been placed on the Commission website, at ftc.gov.

Office of Administrative Law Judges

The Office of Administrative Law Judges performs the initial adjudicative fact-finding in Commission administrative complaint proceedings, guided by statutes, precedent, and rules of practice. The Administrative Law Judge holds pre-hearing conferences, resolves discovery, evidentiary and procedural disputes, and conducts the full adversarial evidentiary hearings. The judge's Initial Decision sets out relevant and material findings of fact with record citation, explains the legal standard, and applies the law to the facts.

The Office of Administrative Law Judges is also charged with conducting certain rule-making proceedings for the Commission. After a hearing on the record, the judge conducting the proceeding recommends a decision to the Commission based on findings of fact and conclusions of law.

Office of the Executive Director

The Office of the Executive Director serves as the managerial and administrative arm of the Federal Trade Commission, with responsibility for the overall operation of the agency. The Office of the Executive Director works closely with the bureaus on strategic

planning and assessing the management and resource implications of any proposed action. The following Offices are located in the Office of the Executive Director:

- **Financial Management Office:** The Financial Management Office (FMO) is responsible for overseeing the FTC's budget formulation and execution processes, all procurement activities and related policies, payment of invoices, development and maintenance of financial policies, ongoing assessment and monitoring of internal controls, implementing an enterprise risk management program, implementing and maintaining financial systems, accounting and reporting of financial transactions, and oversight of the FTC's travel management, strategic planning, and performance management activities. FMO staff collaborate with Congress, the Office of Management and Budget (OMB), the Department of the Treasury, and other federal agencies to accomplish government-wide goals and objectives.

FMO's core staff of financial management, performance, and acquisition professionals aid the FTC in carrying out its mandated responsibilities, provide agency-wide financial management direction, services, and information, and ensure compliance with federal financial management laws, regulations and policies.

Key FMO activities include:

- » Advising senior management on budget development, justification, execution, and review; working with OMB and Congressional staff to obtain appropriations and subsequent apportionment authority; distributing enacted and Commission-approved resources to agency organizations and projects; tracking agency resources and reprogramming agency funds, as needed.
- » Conducting financial oversight and analysis to support the recording of financial transactions in the accounting system; paying invoices for purchases and services performed for the FTC; reconciling the agency's general ledger; reporting assets managed by the FTC, including accounts receivable from court orders, judgments and receiverships; and reconciling balances with those maintained by Treasury and OMB.
- » Reporting the agency's financial information to Treasury; preparing the consolidated financial statements; and producing the annual Agency Financial Report.
- » Managing the FTC's acquisition activities of goods and services on behalf of the Bureaus and Offices; providing guidance and assistance with all aspects of the requisition process, including statements of work, requests for proposal, contract preparation, award, and administration; and training the agency's Contracting Officer Representatives.
- » Managing the FTC's enterprise risk management and internal control program by systematically/continuously identifying and documenting risk related to achieving the agency's strategic goals and objectives and assessing the adequacy of financial and operational program internal controls, identifying needed

improvements, taking corresponding corrective actions, and reporting annually on the condition of the agency's internal controls.

- » Managing the FTC's Oracle-based financial system through an integrated financial system that includes payroll, travel management, and acquisition lifecycle systems.
 - » Issuing the FTC's financial policies to implement laws and high-level government-wide requirements and policies (e.g., OMB Bulletins and Circulars).
 - » Managing and administering the federal purchase and travel card programs.
 - » Managing all components of the agency's E-Travel system; supporting the Bureaus and Offices with all travel requirements, including planning, funding, booking, tracking, and approving travel; and ensuring compliance with the Federal Travel Regulations.
 - » The Chief Financial Officer serves as the agency's Performance Improvement Officer, responsible for oversight of all performance management activities, including producing the FTC's Annual Performance Plan/ Annual Performance Report, and for the agency's strategic planning activities, supporting development of the FTC's Strategic Plan.
- **Human Capital Management Office:** The Human Capital Management Office (HCMO) develops and implements human capital programs and policies to align with and support the Federal Trade Commission's human capital strategic objectives. The Office provides leadership, technical advice, and policy guidance to FTC's leadership and to Bureaus and Offices on a broad range of talent management and workforce issues. These include HC planning, position management and classification, staffing and placement, background investigations, performance management, workforce development, executive resources, compensation, labor and employee relations, special emphasis programs, as well as employee benefits services and programs. HCMO works closely with FTC bureaus and offices and collaborates with other federal agencies, including the Office of Personnel Management (OPM) and OMB, to develop proactive programs and solutions to emerging human capital issues in support of government-wide human capital initiatives.

These Human Capital programs ensure that HCMO serves the needs of FTC's bureaus and offices while supporting effective mission accomplishments:

- » HC Operations
- » Employee/Relations/Labor Relations and Employee Development
- » Executive Resources
- » Human Capital Information Systems
- » Personnel Security

- » HR Policy and Accountability
- **Office of the Chief Administrative Services Officer:** The Office of the Chief Administrative Services Officer (OCASO) provides a broad range of administrative and information management services to the agency. In carrying out its administrative services work, OCASO:
 - » Acquires and manages headquarters and regional office space, including infrastructure renovations and repairs;
 - » Provides building and grounds management;
 - » Manages the agency's physical security, emergency preparedness, and health and safety programs;
 - » Coordinates the physical office moves of employees, and assigns, allocates, and reconfigures space;
 - » Maintains a Customer Service Center, a one-stop shop for addressing and fulfilling a wide range of administrative requests;
 - » Plans, coordinates, and supports all types of FTC events;
 - » Manages in-house copy centers in both buildings in Washington, DC, and provides logistical support to FTC staff working with commercial printers or the Government Printing Office;
 - » Provides logistical trial team support to FTC Bureaus and Offices.;
 - » Manages the mail room, couriers, supplies, equipment and assets, and furniture;
 - » Publishes the FTC Daily, the FTC Administrative Manual, and the FTC telephone directory;
 - » Coordinates the FTC's transit subsidies; and
 - » Provides transportation and garage services for the Washington, DC offices.

In carrying out its information management work, OCASO:

- » Serves all official Commission documents, and receives and processes filings before the Commission.
- » Manages agency-wide electronic systems that process, track, and store records and information on Commission matters, including:
 - Matter Management System (MMS2), a system that records, tracks and reports administrative and statistical information about FTC investigations, litigation, rulemaking, and other matters;
 - E-Filing, a web-based application that is used to receive public and non-public filings in adjudicative proceedings conducted under Part 3 of the Commission's Rules of Practice;

- Documentum, an electronic document management system that allows agency staff to track, search, and access agency documents; and
 - StenTrack, an application that enables agency staff to request stenographic services, and OCASO to process these requests and monitor funding levels.
- » Provides Records and Information Management (RIM) support services.
- OCASO:
- Reviews recordkeeping requirements for agency systems;
 - Maintains the official record for all Commission matters;
 - Develops and administers RIM policies and training;
 - Works with the Bureaus and Offices on processes and procedures for the creation, maintenance, use, and disposition of records and information in electronic and textual formats, including:
 - Supporting the FTC Privacy Office in ensuring disposition of records covered by the Privacy Act,
 - Supporting the OGC in the management of litigation holds,
 - Establishing electronic file structures, and
 - Managing for OCIO agency-wide shared network space and user access rights.
 - Provides library research and reference services;
 - Stores and retrieves records on- and off-site;
 - Disposes of FTC records at the end of their retention period;
 - Manages agency-wide stenographic services;
 - Processes public comments in rulemakings, consent proceedings, workshops, studies and other matters that solicit public comments; and
 - Maintains the adjudicative proceedings and public comments sections of FTC.gov.
- **Office of the Chief Information Officer:** The Office of the Chief Information Officer (OCIO) is responsible for providing the FTC with a robust, reliable, secure, rapidly scalable, and interoperable infrastructure; providing connectivity and computing capabilities; and allowing FTC staff and mission partners to access, share, and act on needed information electronically. OCIO develops, modernizes, and enhances mission critical IT applications and systems, business services, and related office automation tools and maintains a robust cybersecurity program that includes the FTC's disaster recovery and continuity of operations efforts. Some key activities performed by OCIO include:

- » Providing mission critical information systems and services to facilitate litigation, forensic investigations, enforcement, and economic analysis activities;
- » Ensuring availability of information technology systems through maintenance of a stable, modernized in-house technology infrastructure, including life-cycle management and technology enhancements and provisioning of secure cloud-based services in support of efficiency and improved operations;
- » Enhancing agency productivity through customer support services, including equipment installation and repair; training and support in the use of information technology resources; and support of critical information systems and applications;
- » Securing FTC data and information technology systems against current and emerging cybersecurity threats using sophisticated technologies and information assurance activities, providing increased security and compliance without hindering mission success and employee performance.

Office of Congressional Relations

The Office of Congressional Relations serves as the liaison between the FTC and Congress. It works closely with Congressional Committees and Members' offices, and keeps the Commission apprised of activity on Capitol Hill affecting competition, consumer protection, and the agency. It also coordinates the preparation of Congressional testimony and responses to Congressional inquiries about FTC actions, policies, and programs.

The Office of Congressional Relations:

- Develops, coordinates, and executes legislative advocacy for the Federal Trade Commission.
- Receives and helps coordinate responses to Members' inquiries on behalf of constituents.
- Plans and implements liaison activities with Congress, including briefings by FTC staff, meetings between Members of Congress and Commissioners, and constituent education events.
- Monitors hearings, legislation and other Congressional activity affecting or of interest to the FTC.
- Coordinates the review by FTC staff of relevant legislation, and provides feedback and technical assistance on bills to Congressional offices.
- Prepares agency witnesses to testify before Congress.
- Keeps Congressional staff abreast of major Commission actions.
- Assists nominees for FTC Commissioners through the confirmation process.

Office of Public Affairs

The Office of Public Affairs informs the news media, as well as the public at large, about the activities of the FTC. They also respond to media inquiries about Commission actions and policy.

In serving as liaison between the FTC, the media and the public, the Office of Public Affairs:

- Arranges and frequently staffs media appearances for the Chairman, Commissioners, and other senior officials.
- Ensures that Commission releases, supporting documents, and consumer and business education materials are disseminated to the media and the public on FTC websites, through use of social media, and other channels.
- Manages the FTC's official presence on Facebook, Twitter, and LinkedIn, including hosting live social chats, live-tweeting and live-streaming workshops and other events, and answering public questions using social media.
- Produces a daily "News Summary" on FTC activities consisting of interesting/influential tweets, clips from newspapers, magazines, online publications, and television.
- Drafts and maintains all social media privacy impact assessments and produces weekly social mentions report to staff.
- Manages the operations and development of the FTC's primary public website, FTC.gov, including related vendor contracts.
- Establishes governance, standards and administrative guidance for public-facing web properties managed by offices across the agency.
- Coordinates the development and execution of the agency's digital communications strategy, including collection and analysis of web traffic data and customer experience metrics.
- Provides training and support to FTC web content publishers and authors.
- Provides assistance to the media and bloggers covering FTC activities.
- Promotes and supports major FTC outreach activities and initiatives and uses new technology, as available, to advance these efforts.
- Provides Regional FTC offices with media training and outreach support as needed.
- Produces "Weekly Calendar and Sunshine Notices" report to inform the public and the media of scheduled "open" Commission activities.
- Works with international, national, and regional media for coverage of Commission activities.

- Garners transcripts and videotapes of broadcast coverage of Commission activities.
- Coordinates with staff on publication of FTC blogs, posts, and occasionally guest posts.

Office of Inspector General

The Inspector General Act of 1978 created independent and objective units within the federal agencies to detect fraud, waste, and abuse and promote economy, efficiency, and effectiveness in agency operations. Each Office of Inspector General (OIG) is responsible for conducting audits and investigations relating to the agency's programs and operations. The Inspector General Act Amendments of 1988 (5 U.S.C. app.) established an OIG within the FTC in 1989. The Office is led by the Inspector General, who has the functions, powers, and duties of an agency head or appointing authority. The Inspector General must keep the agency head and Congress fully and currently informed about problems and deficiencies in the agency's operations and programs.

The Inspector General Act contains statutory guarantees of OIG independence, which ensure the objectivity of the OIG's work and safeguards against efforts to compromise that objectivity or hinder OIG operations. Foremost among these safeguards are the Inspector General's dual reporting to the agency head and Congress, and the requirement for agency management to provide timely access to agency personnel and information. The OIG's independent mission requires that OIG staff be free in fact and appearance from personal, external, and organizational impairments to their independence.

- **Mandatory Audits:** The OIG conducts audits of the FTC's programs and operations, including a mandated annual audit of the FTC's Financial Statements. Audits address the efficiency, effectiveness, and economy of the FTC's programs, activities, and functions; provide information to responsible parties to improve public accountability; facilitate oversight and decision-making; and initiate corrective actions as needed. Audits also report on internal controls and compliance with provisions of law, regulations, and contracts as they relate to financial transactions, systems, and processes.
- **Investigations of Fraud, Waste, and Abuse:** The OIG investigates allegations of criminal, civil, and administrative violations of laws, policies, and regulations on the part of FTC employees and individuals/entities that have contracts with the agency. Complaints and allegations of wrongdoing are generally referred to the OIG via the OIG Hotline, in-person, and via mail, and they come from a variety of sources, including FTC employees, other government agencies, and the general public. The results of OIG investigations that uncover criminal activity or civil violations are referred to the Department of Justice for consideration for criminal prosecution and/or civil penalties. Investigations that do not substantiate criminal/civil activity, or where criminal prosecution or civil remedies have been declined, are reported to FTC management for appropriate action.

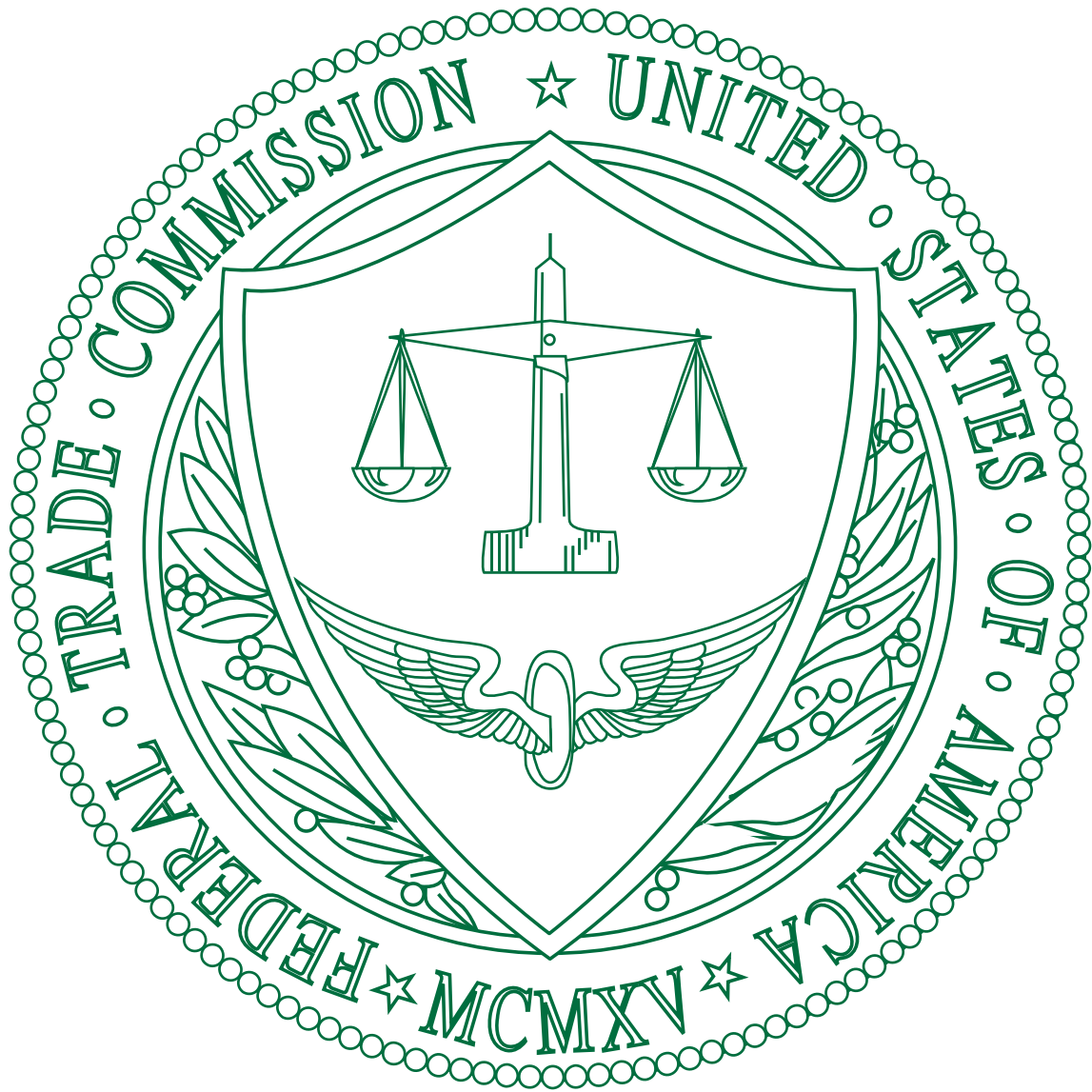
- **Whistleblower Protection:** Federal law prohibits governmental personnel from retaliating against an employee who acts as a whistleblower by reporting suspected waste, fraud, or abuse to the OIG. Allegations of whistleblower retaliation are taken very seriously, and both the OIG and the U.S. Office of Special Counsel have the authority to investigate such matters.
- **Evaluations:** The OIG conducts evaluations, including a congressionally mandated annual evaluation of the agency's information security and privacy programs under the Federal Information Security Modernization Act of 2014 ("FISMA"). Evaluations are systematic and independent assessments of the design, implementation, and/or results of the FTC's operations, programs, or policies. They provide information that is timely, credible, and useful for agency managers, policy makers, and others. Evaluations can be used to determine efficiency, effectiveness, impact, and/or sustainability of agency operations, programs, or policies.
- **Management Advisories:** The OIG issues periodic Management Advisories to inform management expeditiously of findings of systemic weaknesses or vulnerabilities identified during audits, investigations, or other oversight activity. Management advisories typically contain recommendations to address OIG findings, and agency management generally has 60 days to respond to the recommendations.
- **Top Management Challenges:** The Reports Consolidation Act of 2000 requires that the Inspector General provide a summary of the OIG's perspective on the most serious management and performance challenges facing the agency and a brief assessment of the agency's progress in addressing those challenges. Some of these are enduring challenges requiring leadership's continued attention. Others are a priority at a particular time in the agency's development, but may become less pressing priorities in the future.
- **Congressional Requests and Briefings:** In addition to keeping the Chairperson, Commissioners, and FTC senior management informed of the OIG's work, the Inspector General Act requires the OIG to keep the appropriate congressional committees informed of its completed audit, evaluation, and investigation work through semiannual reports to the Congress. These reports summarize the work the OIG has completed and planned during the reporting period, as well as the status of OIG recommendations to management.
Separately, the OIG responds to periodic and standing requests by congressional committees on the status of its open and unimplemented recommendations, matters referred to the Department of Justice for possible prosecution, and any challenges the Inspector General encounters in obtaining timely information from management. The OIG has a standing annual meeting with staffers of the Senate Committee on Commerce, Science, and Transportation to discuss open OIG recommendations and the OIG's annual Management Challenges report, among other topics.

- **Peer Reviews:** The OIG's investigations and audit functions are subject to triennial external peer reviews conducted under the auspices of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), which is an independent entity within the Executive Branch comprised of federal Inspectors General. OIG staff take periodic training in the various OIG disciplines to ensure they and their respective programs adhere to CIGIE and other quality standards that ensure accuracy, objectivity, collaboration with management, and independence.
- **Engagement with the OIG Community:** The OIG is an active participant in CIGIE, whose mission is to address integrity, economy, and effectiveness issues that transcend individual government agencies. Through active participation on the various CIGIE committees, subcommittees, and workgroups, OIG staff learn of emerging trends and best practices within the OIG community to share within the OIG and with FTC management. The OIG also pursues cross-community initiatives through CIGIE, such as a FY 2017 initiative to boost the value of OIG investigations of identity theft, impersonation scams, and theft of government benefits, in cooperation with the FTC Bureau of Consumer Protection and its Consumer Sentinel Network resources. This initiative directly addresses the Inspector General Empowerment Act of 2016 directive urging OIGs to collaborate on common issues and challenges.

Office of Equal Employment Opportunity and Workplace Inclusion

The Office of Equal Employment Opportunity and Workplace Inclusion (OEEOWI) maintains a continuing affirmative employment program to promote EEO, and to identify and eliminate discriminatory practices and policies. OEEOWI engages in proactive management strategies to identify and eliminate barriers to EEO, provides leadership and direction on EEOC regulations and directives, and implements comprehensive affirmative employment initiatives that conform to Federal laws and regulations governing EEO and human resources management. OEEOWI also manages, advises, and oversees the discrimination complaints processing system, including recommending settlements and taking final action, as well as making final decisions on complaints that are consistent with regulations and directives governing the administrative complaint process. OEEOWI also serves as the principal advisor on EEO and affirmative employment programs, policies, and regulations including providing support and advice on issues related to EEO in all aspects of employment. Further, OEEOWI promotes an inclusive and diverse work environment by maintaining relationships with affinity bar associations, providing guidance to the Executive Committee of FTC Diversity Council, and planning and organizing cultural events for special observances throughout the year.

APPENDIX



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Proposed Appropriations Language

Salaries and Expenses

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed \$2,000 for official reception and representation expenses, \$309,700,000, to remain available until expended: Provided, That not to exceed \$300,000 shall be available for use to contract with a person or persons for collection services in accordance with the terms of 31 U.S.C. 3718: Provided further, That, notwithstanding any other provision of law, not to exceed \$125,400,000 of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18a), regardless of the year of collection, shall be retained and used for necessary expenses in this appropriation: Provided further, That, notwithstanding any other provision of law, not to exceed \$15,000,000, in offsetting collections derived from fees sufficient to implement and enforce the Telemarketing Sales Rule, promulgated under the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6101 et seq.), shall be credited to this account, and be retained and used for necessary expenses in this appropriation: Provided further, That the sum herein appropriated from the general fund shall be reduced as such offsetting collections are received during fiscal year 2019, so as to result in a final fiscal year 2019 appropriation from the general fund estimated at not more than \$169,300,000: Provided further, That none of the funds made available to the Federal Trade Commission may be used to implement sub-section (e)(2)(B) of section 43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t).

Program and Financing

(\$ in millions)

Identification Code: 29-0100-0-1-376	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Obligations by Program Activity:			
0001	174	171	171
0002	140	140	139
0192	314	311	310
0799	314	311	310
0803	1	1	1
0900	315	312	311
Budgetary Resources:			
Unobligated Balance:			
1000	26	33	33
1021	9	---	---
1050	35	33	33
Budget Authority:			
Appropriations, discretionary:			
1100	175	183	169
1130	---	---	---
1160	175	183	169
Spending authority from offsetting collections, discretionary:			
1700	125	113	125
1700	13	15	15
1700	1	1	1
1701	-1	---	---
Spending authority from offsetting collections precluded from obligation (limitation on obligations)			
1725	---	---	---
1750	138	129	141
1900	313	312	310
1930	348	345	343
Change in Obligated Balances:			
Unpaid Obligations:			
3000	83	75	70
3010	315	312	311
3020	-314	-317	-300
3040	-9	---	---
3050	75	70	81
Uncollected payments:			
3060	-2	-1	-1
3070	1	---	---
3090	-1	-1	-1
Memorandum (non-add) entries:			
3100	81	74	69
3200	74	69	80
Budget Authority and Outlays (net):			
Discretionary:			
4000	313	312	310
Outlays, gross:			
4010	250	209	197
4011	64	108	103
4020	314	317	300
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030	-1	-1	-1
4034	-138	-128	-140
4040	-139	-129	-141
Additional offsets against gross budget authority only:			
4050	1	---	---
4070	175	183	169
4080	175	188	159
4180	175	183	169
4190	175	188	159

Object Classification
(\$ in millions)

Identification Code: 29-0100-0-1-376	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
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Direct Obligations

Personnel Compensation:

11.1 Full-time permanent	139	145	145
11.3 Other than full-time permanent	8	9	9
11.5 Other personnel compensation	3	2	2
11.8 Special personal services payments	---	1	1
11.9 Total, Personnel Compensation	<u>150</u>	<u>157</u>	<u>157</u>

12.1 Civilian personnel benefits	46	46	46
21.0 Travel and transportation of persons	2	2	2
23.1 Rental payments to GSA	24	24	24
23.3 Communications, utilities, and miscellaneous charges	7	5	5
24.0 Printing and reproduction	2	1	1
25.1 Advisory and assistance services	55	53	52
25.2 Other services	4	4	4
25.3 Purchases of goods and services from government accounts	8	7	7
25.4 Operation and maintenance of facilities	2	1	1
25.7 Operation and maintenance of equipment	7	8	8
26.0 Supplies and materials	1	1	1
31.0 Equipment	6	2	2
99.0 Subtotal, Direct Obligations	<u>314</u>	<u>311</u>	<u>310</u>

Reimbursable Obligations

Personnel Compensation:

11.1 Full-time permanent	1	1	1
99.0 Subtotal, Reimbursable Obligations	<u>1</u>	<u>1</u>	<u>1</u>
99.9 Total, New Obligations	<u>315</u>	<u>312</u>	<u>311</u>

Personnel Summary

Identification Code: 29-0100-0-1-376	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Direct			
1001 Full-time equivalent employment	1,134	1,140	1,140
Reimbursable			
2001 Full-time equivalent employment ¹	1	1	1

¹Includes 1 FTE reimbursed by other federal agencies

Inspector General's Request



UNITED STATES OF AMERICA
Federal Trade Commission
 WASHINGTON, D.C. 20580

Office of the Inspector General

February 12, 2018

In accordance with the requirements of Section 6(f)(1) of the Inspector General Act of 1978 (as amended), the Federal Trade Commission's Office of the Inspector General submits the following information related to its requested budget for FY 2019:

- The Office of the Inspector General (OIG) requests aggregate funding of \$1,707,700 for FY 2019.
- OIG requests \$27,700 for all training needs. The requested amount satisfies all training requirements for the OIG in FY 2019.
- OIG requests \$4,000 for support of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The requested amount satisfies all requirements for the OIG's contribution to the CIGIE in FY 2019.

<u>FY 2018 Budget</u>		<u>FY 2019 Estimate</u>		<u>Change</u>	
\$ in thousands		\$ in thousands		\$ in thousands	
Full Time Equivalents	Amount	Full Time Equivalents	Amount	Full Time Equivalents	Amount
7	\$1,674.1	7	\$1,707.7	0	\$33.6

The OIG plans to request additional FTE during FY 2019 and in the FY 2020 budget cycle to address the OIG's increased evaluation and audit responsibilities; address a backlog of unaddressed investigative work; work with management to address [Top Management Challenges](#) identified in FY 2017 (Securing the Agency's Information Systems and Networks from Destruction, Data Loss, or Compromise; Accelerating the Maturity of the Agency's Information Technology Governance Process; and Improving Acquisition Planning and Contract Management); and perform other evaluations bearing on the efficiency, effectiveness, and integrity of FTC activities and programs.

Roslyn A. Mazer
 Inspector General
 Federal Trade Commission