



Federal Trade Commission Office of Inspector General



Semiannual Report to Congress

April 1, 2025 - September 30, 2025



Office of the Chairman

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

January 6, 2026

The Honorable JD Vance
President of the Senate
United States Senate
Washington, DC 20510

Dear Mr. President:

Pursuant to the requirements of Section 5(b) of the Inspector General Act, as amended, I am transmitting the Federal Trade Commission's (FTC's) Office of the Inspector General (OIG) Semiannual Report to Congress for the period April 1, 2025, through September 30, 2025. The Report will be posted on the FTC OIG website: <http://oig.ftc.gov/reports/semiannual-reports>. If you have any questions or wish to receive hard copies of any report, please contact the OIG at oig@ftc.gov or 202-326-2800.

We appreciate the OIG's efforts to provide quality analysis and evaluations of our programs and activities.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew N. Ferguson".

Andrew N. Ferguson
Chairman, Federal Trade Commission

Enclosure

cc: Attached distribution list

FTC OIG at a Glance

Fiscal Year (FY) 2025 Budget

Entity	Budget	Authorized Positions
FTC	\$425,700,000	1,258
FTC OIG	\$2,619,000	10 ^a
FTC OIG %	0.5	0.6
^a As of September 30, 2025, the OIG was comprised of 7 full-time staff.		

OIG FY 2025 Contract Obligations for Statutorily Required Work

Contract	Obligations (approximate)	Statute Requiring Audit
Financial Statement Audit	\$104,000	<i>The Accountability of Tax Dollars Act of 2002</i>
FISMA Audit	\$82,000	<i>Federal Information Security Modernization Act of 2014</i>
Total	\$186,000	

Employees by Position

Inspector General (Vacant)
Deputy Inspector General (Acting as Inspector General)
Counsel to the Inspector General
Assistant Inspector General for Investigations
Assistant Inspector General for Audits and Automation
Lead Auditor
Lead Auditor
Investigator
Program Analyst (Vacant)
Administrative Assistant (Vacant)

Contact Information

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FTC OIG Semiannual Report to Congress April 1, 2025 – September 30, 2025

Contents

Message from the Acting Inspector General	3
Audits and Related Oversight Products.....	4
Investigations	7
Engagement, Review of Legislation, and Other Reporting Requirements.....	8
Appendix I: Recommendations in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed.....	9
Appendix II: OIG Reports Issued During Current Semiannual Period, with Potential Monetary Benefits (if Applicable) and Pending Management Decisions	10
Appendix III: Peer Reviews, Including Results of Most Recent Peer Reviews	11
Appendix IV: IG Act Reporting Requirements Index	12

Message from the Acting Inspector General

On behalf of the Federal Trade Commission (FTC) Office of Inspector General (OIG), I am pleased to present our latest Semiannual Report to Congress, which summarizes the activities and accomplishments of our team from April 1, 2025, through September 30, 2025.

During this reporting period, the OIG—comprised of just 7 employees—completed two oversight products, including a performance audit of the FTC’s controls over the offboarding process, which assessed whether the agency effectively deactivated access, recovered assets, and documented key offboarding tasks for departing employees. The OIG also issued a management advisory on expenditures related to executive transportation, which reviewed the use of car services by the former Chair and staff, and recommended updates to the FTC’s travel policy to strengthen justification and documentation requirements.

We also completed two investigations: one related to a financial conflict of interest violation and another that identified evidence supporting that an FTC employee improperly obtained pandemic relief funds and engaged in unauthorized outside employment activities. The OIG referred both matters for appropriate action.

I am deeply thankful for the OIG’s professional staff (which became nearly 30% smaller during the reporting period), who through significant grit, dedication, and innovation enabled the OIG to continue to provide a high level of independent, objective oversight. In addition, I thank Chairman Ferguson and the Commission, agency leadership, and FTC staff for their ongoing cooperation and collaboration with the OIG as we work together to serve the American public. Finally, I thank Congress for its enduring commitment to supporting the OIG’s mission.

Marissa Gould

Audits and Related Oversight Products

Completed Products

During this period, the OIG issued the following audit and related oversight products: (1) Audit of the FTC's Controls Over the Offboarding Process, and (2) Management Advisory on Expenditures Related to Executive Transportation.

Audit of the FTC's Controls Over the Offboarding Process (September 16, 2025)

The FTC's offboarding process is a critical internal control function that ensures departing employees are properly deprovisioned from systems, facilities, and access to sensitive information. A secure and efficient offboarding process helps mitigate risks, such as unauthorized access, asset loss, and insider threats.

We conducted this performance audit to assess the effectiveness of the FTC's controls over the offboarding process and their compliance with federal regulations. As part of our audit, we sampled the offboarding record for 20 full-time employees that departed the FTC in Fiscal Year 2024.

We found that the FTC's offboarding process lacks centralized oversight, resulting in fragmented coordination, incomplete task documentation, and open cases. Specifically, all 20 sampled offboarding cases remained open due to at least one incomplete task. Additionally, we identified issues with premature closure of key and Personal Identity Verification (PIV) card return tasks, inconsistent asset tracking, and delays in terminating transit subsidies and subscriptions.

We recommended that FTC management (1) designate a single point of coordination to ensure all offboarding tasks are completed accurately and consistently, and (2) establish overarching policies and procedures to clearly define roles and responsibilities in the offboarding process.

The public report is accessible on [Oversight.gov](https://www.oversight.gov).

Management Advisory on Expenditures Related to Executive Transportation (July 8, 2025)

As part of its annual assessment under the Government Charge Card Abuse Prevention Act of 2012, the OIG reviewed FTC charge card activity and identified \$18,870 in expenditures incurred by the former Chair and select staff for executive car services across 16 occasions. These expenses, which included luxury sedans and SUVs, raised concerns about cost justification and alignment with federal travel regulations.

The OIG conducted a management advisory review to assess the appropriateness of these expenditures and the agency's internal controls over such travel-related decisions. The review found that the FTC's travel policy lacked clear criteria for

approving “other special conveyances,” such as car service, which must meet the Federal Travel Regulation’s “advantageous to the government” standard.

The advisory noted that the FTC did not consistently include written justifications for its use of car services, such as security or operational needs, or the unavailability of standard transportation options. In some cases, more cost-effective alternatives—such as rental vehicles—may have been feasible, especially when multiple staff members were traveling together.

The OIG recommended that FTC management update its travel policy to include enhanced requirements for justifying and documenting the use of special conveyances. This would help mitigate financial and reputational risks and ensure alignment with federal standards.

The public report is accessible on Oversight.gov.

Ongoing Audit and Related Oversight Work

Our office is continuing work on 4 audit and related oversight products:

OIG Audit of the FTC’s Control Over Non-public Information (NPI)

The OIG’s objective for this audit is to assess the effectiveness of the FTC’s internal controls for safeguarding sensitive data and ensuring compliance with federal policies on NPI.

OIG Review of FTC’s System of Inventory of Information Technology Assets

The OIG is conducting a review to assess the effectiveness and efficiency of the FTC’s procedures for inventory and control of assets.

Audit of the FTC’s FY 2025 Financial Statements

Pursuant to the Accountability of Tax Dollars Act of 2002, we contracted with an independent public accounting firm (IPA) to audit the financial statements of the FTC as of and for the fiscal year ending September 30, 2025, and to provide a report on internal control over financial reporting and on compliance with laws and other matters. The contract requires that the audit be performed in accordance with U.S. generally accepted government auditing standards, OMB audit guidance, and the Government Accountability Office (GAO)/Council of the Inspectors General on Integrity and Efficiency (CIGIE) Financial Audit Manual.

FY 2025 Audit of the FTC Information Security Program and Practices

The Federal Information Security Modernization Act of 2014 (P.L. 113-283) (FISMA) requires each OIG, on an annual basis, to evaluate its agency's information security and privacy program and practices to determine their effectiveness. Under a contract with the OIG, an IPA will perform the FY 2025 evaluation. The objective of the audit is to evaluate the status of the FTC's overall information technology security program and practices.

Investigations

Investigations Summary

Category	Number
Indictments and criminal informations resulting from prior referrals	0
Persons referred to state or local prosecuting authorities for prosecution	0
Persons referred to the U.S. Department of Justice for prosecution	2
Convictions related to investigative support activities	0
Convictions resulting from investigations	3*
Open investigative support activities	11
Open investigations	3
Closed investigative support activities	3
Closed investigations	2
Reports issued	1
Hotline complaints received and reviewed	1,973

*Assist to DOD OIG

Significant Matters and Activities

During this semiannual reporting period, the FTC OIG concluded an investigation into allegations that an FTC employee improperly obtained pandemic relief funds. During this investigation, the FTC OIG identified evidence supporting that the employee had also engaged in unauthorized outside employment activities, made false statements, and misused government property.

During prior semiannual periods, the FTC OIG assisted other federal law enforcement in an investigation of a former armed services member for stealing the personally identifiable information of multiple U.S. servicemembers and using it to inflict emotional distress and financial harm. This scheme involved the defendant submitting 21 false identity theft reports to Identitytheft.gov. On July 21, 2025, the defendant was convicted of 31 charges, including making false statements to the FTC, in violation of 18 U.S.C. § 1001, for submitting the false identity theft reports. The defendant received a 65-month sentence. This case marks the first time that the OIG has been involved in a prosecution that resulted in a defendant's conviction based on charges relating to submitting false identity theft reports to Identitytheft.gov.

During prior semiannual periods, the FTC assisted other federal law enforcement in investigating a multi-state mortgage fraud scheme that involved the filing of false identity theft reports on Identitytheft.gov. On August 8 and September 11, 2025, two of the 12 defendants in this matter were convicted of Conspiracy to Make False Writings or Statements to the FTC, in violation of 18 U.S.C. § 371, and sentenced to probation and ordered to pay restitution.

Engagement, Review of Legislation, and Other Reporting Requirements

Inspector General and Federal Community Engagement

The OIG continued to actively participate in community-wide activities, particularly those involving the federal inspector general community and the Council of Inspectors General on Integrity and Efficiency (CIGIE). We coordinated with and assisted various OIGs during the period on activities that include investigations, planning, and audit support.

The Acting Inspector General serves on the CIGIE Legislation and Budget committees and participates in the Small OIGs working group. The Counsel to the Inspector General is active in the Council of Counsels to the Inspector General (CCIG) and leads two CCIG working groups. In addition, an OIG auditor taught a CIGIE performance audit course during the reporting period.

Review of Legislation

Pursuant to IG Act Section 4(a)(2), during this period, the OIG reviewed legislation and/or regulations both individually and in coordination with CIGIE's Legislation Committee.

Appendix I: Recommendations in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed

<i>Report Title</i>	<i>Recommendation</i>	<i>Issue Date</i>	<i>Pending Mgmt Decisions</i>	<i>Potential Cost Savings (\$)</i>
Management Advisory on FTC Records Management	<i>Develop requirements for acquiring the necessary staff and technology resources for managing records scheduling, disposition, access, and storage</i>	02/28/2022	None	N/A
FY 2023 Audit of the FTC's Information Security Program and Practices	<i>FTC CIO implement requirements across Event Logging tiers to meet the maturity level of EL2 (intermediate) in accordance with OMB M-21-31</i>	11/06/2023	None	N/A
Audit of FTC Consumer Response Center Practices and Procedures	<i>More effectively communicate to agency staff clear, formalized procedures for the consistent processing and adjudication of consumer complaints referred by internal FTC offices.</i>	02/06/2025	None	N/A
Audit of FTC Consumer Response Center Practices and Procedures	<i>Enhance the organization of CRC's knowledge base resources to ensure information is centralized and accessible to all staff.</i>	02/06/2025	None	N/A
Audit of FTC Consumer Response Center Practices and Procedures	<i>Refine its regularly reviewed process for identifying and capturing key CRC program input in policy or guidance.</i>	02/06/2025	None	N/A

Appendix II: OIG Reports Issued During Current Semiannual Period, with Potential Monetary Benefits (if Applicable) and Pending Management Decisions

<i>Audit or Related Oversight Report (and Issue Date)</i>	<i>Questioned Costs</i>	<i>Unsupported Costs</i>	<i>Funds to Be Put to Better Use</i>	<i>Pending Mgmt Decisions</i>
<i>Management Advisory on Expenditures Related to Executive Transportation (July 8, 2025)</i>	0	0	0	N/A
<i>Audit of the FTC's Controls Over the Offboarding Process (September 16, 2025)</i>	0	0	0	N/A

Appendix III: Peer Reviews, Including Results of Most Recent Peer Reviews

Most Recent Peer Review Conducted of the FTC OIG

<i>Reviewing OIG</i>	<i>Date Issued</i>	<i>Peer Review Ending Date</i>	<i>Peer Review Results</i>	<i>Outstanding Recs (if Applicable)</i>
Federal Election Commission	09/11/2024	03/31/2024	Pass	N/A

Most Recent Peer Review Conducted by the FTC OIG

<i>Reviewed OIG</i>	<i>Date Issued</i>	<i>Peer Review Ending Date</i>	<i>Peer Review Result</i>	<i>Outstanding Recs (if Applicable)</i>
U.S. International Development Finance Corporation (limited procedures)	06/15/2023	N/A	Modified peer review	N/A

Appendix IV: IG Act Reporting Requirements Index

IG Act Section	Reporting Requirement	Page # / Appendix # or Comment
4(a)(2)	Review of legislation and regulations	Page 8
5(a)(1)	Significant problems, abuses, and deficiencies and associated reports and recommendations for corrective action	None to report
5(a)(2)	Recommendations made before the reporting period, for which corrective action has not been completed, including the potential cost savings associated with the recommendation	Appendix I
5(a)(3)	Summary of significant investigations closed during the reporting period	Pages 7-8
5(a)(4)	Total number of convictions during the reporting period resulting from investigations	Page 7
5(a)(5)	List of each audit, inspection, or evaluation report issued during the reporting period—including, if applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period	Appendix II
5(a)(6)	Management decisions made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period	None to report
5(a)(7)	Information described under section 804(b) of the Federal Financial Management Improvement Act of 1996	None to report
5(a)(8) & 5(a)(9)	(A) An appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period; or (B) if no peer review was conducted, a statement identifying the date of the last peer review and a list of any outstanding recommendations not fully implemented, including status and explanation	Appendix III
5(a)(10)	A list of any peer reviews conducted by the Inspector General of another Office of Inspector General during the reporting period, including any outstanding recommendations from previous peer reviews	Appendix III
5(a)(11)	(A) Total number of investigative reports issued; (B) total number of persons referred to DOJ for criminal prosecution; (C) total number referred to State/local authorities; (D) total number of indictments and criminal informations resulting from prior referrals	Page 7