



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

Office of Inspector General

February 26, 2026

MEMORANDUM

FROM: Marissa Gould 
Acting Inspector General

TO: Andrew N. Ferguson, Chairman

SUBJECT: The Federal Trade Commission's Compliance with Improper Payments Requirements for Fiscal Year 2025

The Federal Trade Commission's (FTC) Office of Inspector General (OIG) has reviewed the FTC's fiscal year (FY) 2025 compliance with all appropriate requirements of the Payment Integrity Information Act of 2019 (PIIA) (Public Law 116-117). The OIG has concluded that, for FY 2025, the FTC complied with all requirements that are applicable to the agency for improper payment reporting.

The *Payment Integrity Information Act of 2019* (PIIA) (Public Law 116-117) requires the following of agencies and inspectors general to improve efforts to identify and reduce government-wide improper payments:

- Agencies must identify and review all programs and activities they administer that may be susceptible to significant improper payments based on guidance provided by Office of Management and Budget (OMB) Circular A-136 (July 14, 2025).
- Inspectors general must determine whether each agency is in compliance and issue an annual report, per OMB Circular A-123, Appendix C (M-21-19, March 5, 2021).

The FTC performed risk assessments of improper payments for FYs 2018, 2021, and 2024.¹ These risk assessments did not identify any programs or activities susceptible to significant improper payments at or above threshold levels set by OMB.² The FTC also determined that improper payment recapture audits were not cost-effective.

Based on our review of all relevant information (see table 1, below, for a summary), we have determined that the FTC is in compliance with PIIA for FY 2025.

¹ According to Public Law 116-117, Payment Integrity Information Act of 2019, agencies must perform risk assessments at least once every 3 years for all programs and activities with outlays exceeding the statutory threshold dollar amount.

² *Significant improper payments* above the statutory threshold include those that are "either (1) both 1.5 percent of program outlays and \$10,000,000 of all program payments made during the FY or (2) \$100,000,000."

Table 1: The FTC’s FY 2025 Compliance with PIIA Requirements, by Agency Program

PIIA Requirements <i>Has the FTC . . .</i>	Payroll	Procurement	Redress Payments to Consumers	Purchase Card	Premerger Filing Fee Refunds	Training	Misc Payments
<i>published payment integrity information with the annual financial statement?</i>	✓	✓	✓	✓	✓	✓	✓
<i>posted the annual financial statement and accompanying materials on the agency website?</i>	✓	✓	✓	✓	✓	✓	✓
<i>conducted improper payment (IP) risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last 3 years?</i>	✓	✓	✓	✓	✓	✓	✓
<i>adequately concluded whether the program is likely to make IPs and unknown payments (UPs) above or below the statutory threshold?</i>	✓	✓	✓	✓	✓	✓	✓
<i>published IP and UP estimates for programs susceptible to significant IPs in accompanying materials to the annual financial statement?</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>published corrective action plans for each program for which an estimate above the statutory threshold was published in accompanying materials to the annual financial statement?</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>published IP and UP reduction targets for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement?</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>demonstrated improvements to payment integrity or reached a tolerable IP and UP rate?</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>developed a plan to meet the IP and UP reduction target?</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>reported an IP and UP estimate of less than 10% for each program for which an estimate was published in the accompanying materials to the annual financial statement?</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: FTC OIG, based on FTC data.

N/A: not applicable.

The OIG appreciates the cooperation and courtesies extended to us by the Office of Chief Financial Officer during the course of this review. If you have any questions or concerns regarding this report, please contact me at oig@ftc.gov.