

Federal Trade Commission
Office of Inspector General

Semiannual Report to Congress

October 1, 2025–March 31, 2026





Office of the Chairman

UNITED STATES OF AMERICA
Federal Trade Commission

WASHINGTON, D.C. 20580

May 31, 2026

The Honorable Bill Hagerty, Chairman
The Honorable Jack Reed, Ranking Member
Committee on Appropriations
Subcommittee on Financial Services and General Government
United States Senate
Washington, DC 20510

Dear Chairman Hagerty and Ranking Member Reed:

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 October 1, 2025 through March 31, 2026. 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 Marissa Gould 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 that reads "Andrew N. Ferguson".

Andrew Ferguson
Chairman, Federal Trade Commission

Enclosure

cc: Attached distribution list

DISTRIBUTION:

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The Honorable Mike Johnson

President of the Senate

The Honorable JD Vance

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The Honorable Maria Cantwell, Ranking Member

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Office of Management and Budget

The Honorable Russell Vought, Director



Office of Inspector General

Federal Trade Commission

HIGHLIGHTS FROM THE

Semiannual Report to Congress

October 1, 2025–March 31, 2026

OIG Activity Highlights

- Audits and Related Oversight Products Issued
5
- Audits and Related Oversight Products Ongoing
3
- Hotline Complaints Received and Reviewed
1,070

FY 2026 Budget At-a-Glance

- FTC
Budget: \$383,600,000
Authorized Positions: 1,114^a
- FTC OIG
Budget: \$2,796,000
Authorized Positions: 10^b

^a As of March 31, 2026, the FTC had 1,014 employees.

^b As of March 31, 2026, the OIG had 7 employees.



Office of Inspector General

Federal Trade Commission

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 October 1, 2025, through March 31, 2026.

During this reporting period, the OIG—comprised of just 7 employees—completed and issued the following 5 oversight products: the FY 2025 report on the FTC’s top management and performance challenges, an audit of the FTC’s FY 2025 financial statements, an audit of the FTC’s information security program and practices for FY 2025, a review of the FTC’s compliance with improper payments requirements for FY 2025, and correspondence to the Office of Management and Budget (OMB) on the FTC’s compliance with Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) requirements.

I am immensely grateful for the OIG’s professional staff whose dedication, ingenuity, efficiency, and focus has enabled the OIG to continue to provide a high level of independent, objective oversight. In addition, I thank Chairman Ferguson, Commissioner Meador, 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.

A handwritten signature in black ink that reads "Marissa Gould".

Marissa Gould

FTC OIG Semiannual Report to Congress October 1, 2025–March 31, 2026

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Audits and Related Oversight Products

Completed Products

During this period, the OIG issued the following audit and related oversight products: (1) the FY 2025 report on the FTC's top management and performance challenges; (2) the audit of FTC's FY 2025 financial statements; (3) the audit of the FTC information security program and practices for FY 2025; (4) a review of the FTC's compliance with improper payments requirements for FY 2025; and (5) correspondence to the Office of Management and Budget (OMB) on the FTC's compliance with Charge Card Act requirements. The FTC OIG public reports are accessible on the [FTC OIG website](#) and on [Oversight.gov](#).

FY 2025 Report on the FTC's Top Management and Performance Challenges

Based on work conducted by our office and separate observations and discussions with senior leaders at the FTC, we identified the following issues as the top management and performance challenges currently facing the FTC:

1. Managing Resources Effectively
2. Addressing Challenges to FTC Litigation
3. Combating Evolving Scams and Enhancing the Public's Awareness
4. Securing Information Systems and Networks Amid Evolving Threats, Workforce Shifts, and Shared Services Uncertainty

We also identified safeguarding nonpublic information as a "watch list" item—an issue that does not rise to the level of a serious management and performance challenge but, nonetheless, requires management's continued attention.

Audit of the FTC's FY 2025 Financial Statements

The OIG contracted with an independent public accounting firm (IPA) to (a) audit the financial statements of the FTC as of and for the fiscal year ending September 30, 2025, and (b) provide a report on internal control over financial reporting and compliance with laws and other matters. The audit is required by the Accountability of Tax Dollars Act of 2002. The IPA reported no material weaknesses in internal control over financial reporting and no reportable noncompliance with provisions of laws.

FY 2025 Audit of the FTC Information Security Program and Practices

As required by the Federal Information Security Modernization Act of 2014 (P.L. 113-283), or FISMA, the OIG reported on the independent evaluation of the FTC's information security program and practices for FY 2025. The OIG contracted with an independent public accounting firm (IPA) to conduct an audit to meet the FY 2025 FISMA requirements. The IPA concluded that the FTC's information security program and practices were effective, as well as identified one area for improvement and one finding from a prior FISMA performance audit that had not been resolved. There were no new recommendations resulting from the FY 2025 FISMA audit.

The FTC's Compliance with Improper Payments Requirements for FY 2025

The Payment Integrity Information Act of 2019, or PIIA (Public Law 116-117), requires 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).

Based on our review of all relevant information, the OIG determined that the FTC was in compliance with PIIA for FY 2025.

OIG Letter to OMB on the FTC Charge Card Risk Assessment

Per the Charge Card Act, as implemented by Appendix B to OMB Circular No. A-123, we conducted this periodic assessment of agency purchase card, convenience check, and travel card programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments. Based on our risk assessment of FY 2025 activity, we determined that the FTC charge card program's overall risk level—including risks of illegal, improper, and erroneous purchases made through the FTC's purchase card program—remains low. As a result, the OIG does not plan to conduct audit work on the FTC's charge card program in FY 2026.

Ongoing Audit and Related Oversight Work

Our office is continuing work on 3 audit and related oversight products:

OIG Audit of the FTC's Internal Controls Over Non-public Information

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 non-public information.

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.

FY 2026 Audit of the FTC Information Security Program and Practices

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 independent public accounting firm will perform the FY 2026 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	1
Convictions related to investigative support activities	0
Convictions resulting from investigations	1 ^a
Open investigative support activities	7
Open investigations	6
Closed investigative support activities	6
Closed investigations	1
Reports issued	0
Hotline complaints received and reviewed	1,070

^a Assisted the Federal Housing Finance Agency OIG

Significant Matters and Activities

During this semiannual reporting period, the FTC OIG concluded an investigation into allegations that an FTC employee fabricated documentation to falsely claim acceptance into the Deferred Resignation Program. The investigation confirmed that the employee never sent the required acceptance email and instead submitted falsified materials to the FTC's Human Capital Management Office, implicating potential violations of 18 U.S.C. §§ 1001 and 287. The U.S. Attorney's Office declined prosecution based on prosecutorial discretion. No further action is anticipated, and the case has been closed.

In the prior semiannual period, we reported that two defendants in a multistate mortgage fraud scheme were convicted of conspiracy to make false writings or statements to the FTC, in violation of 18 U.S.C. § 371. On November 5, 2025, another defendant was convicted and sentenced to 121 months in prison for orchestrating a mortgage and loan fraud scheme that defrauded banks, businesses, mortgage lenders, and government programs out of millions of dollars. As part of the scheme, the defendant submitted fraudulent identity theft reports to the FTC's IdentityTheft.gov portal to conceal the fraud scheme. Among the charges that the defendant pled guilty to were violation of 18 U.S.C. 1001 (False Statements to the Federal Trade Commission) and § 371.

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, hiring, 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.

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>
<i>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	11/06/2023	None	N/A
<i>Management Advisory on Expenditures Related to Executive Transportation</i>	Consider incorporating into policy the requirement that justifications for "other special conveyances," such as car service, include clear and delineable reasoning as to why the selected option meets the FTR's "advantageous to the government" standard	07/08/2025	None	N/A
<i>Audit of the FTC's Controls Over the Offboarding Process</i>	Establish overarching policies and procedures to clearly identify roles and inform officials of their responsibilities in the offboarding process	09/16/2025	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>	Questioned Costs	Unsupported Costs	Funds to Be Put to Better Use	Pending Mgmt Decisions
<i>FY 2025 Audit of the FTC Information Security Program and Practices (12/19/2025)</i>	0	0	0	N/A
<i>Report on Audit of the FTC's FY 2025 Financial Statements (01/16/2026)</i>	0	0	0	N/A
<i>OIG Letter to OMB on FTC Charge Card Risk Assessment (01/30/2025)</i>	0	0	0	N/A
<i>The FTC's Compliance with Improper Payments Requirements for FY 2025 (02/26/2026)</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

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

Most Recent Peer Review Conducted by the FTC OIG

Reviewed OIG	Date Issued	Peer Review Ending Date	Peer Review Result	Outstanding Recs (if Applicable)
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 9
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	Page 8
5(a)(4)	Total number of convictions during the reporting period resulting from investigations	Page 8
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 8



Office of Inspector General

Federal Trade Commission

Contact Information

OIG Hotline

The FTC OIG investigates **allegations of fraud, waste, abuse, and misconduct** involving the programs and operations of the FTC. To submit a **hotline complaint**, go to oig.ftc.gov/hotline.

Please report **fraud or scam issues**—such as impersonation scams, job/investment/money-making opportunities, credit/debt/loan offers, or ANY OTHER CONSUMER FRAUD—directly to the FTC: <https://reportfraud.ftc.gov/>.

If you believe you are the victim of **identity theft** and want to report it, contact the FTC here: <https://www.identitytheft.gov/>.

Mailing Address

Federal Trade Commission
Office of Inspector General
600 Pennsylvania Ave NW
Washington, DC 20580

General Inquiries

(202) 326-3527