



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

Office of Inspector General

May 13, 2015

MEMORANDUM

TO: Chairwoman Edith Ramirez
Commissioner Julie Brill
Commissioner Maureen K. Ohlhausen
Commissioner Joshua D. Wright
Commissioner Terrell McSweeney

FROM: Roslyn A. Mazer *RAM*
Inspector General

SUBJECT: Federal Trade Commission's Fiscal Year 2014 Compliance with the Improper Payments Elimination and Recovery Act of 2010

In accordance with Section 3 (b) of Public Law 111-204, *Improper Payments Elimination and Recovery Act of 2010* (hereafter referred to as IPERA), this letter communicates the results of my determination of the Federal Trade Commission's (FTC) compliance with applicable provisions of the IPERA. This letter covers the FTC's Fiscal Year (FY) 2014 activities.

In short, I have determined that the FTC is compliant with the IPERA and applicable guidance, as further described below.

OMB issued guidance¹ for Inspectors General to aid in their review of agencies' compliance with IPERA. Specifically, the guidance defines compliance to mean that the agency has:

- a. Published an Annual Financial Report (AFR) or Performance and Accountability Report (PAR) for the most recent fiscal year and posted that report and any accompanying materials required by OMB on the agency website;
- b. Conducted a program specific risk assessment for each program or activity that conforms with Section 3321 note of Title 31 U.S.C. (if required);
- c. Published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required);
- d. Published programmatic corrective action plans in the AFR or PAR (if required);

¹ OMB Memorandum M-15-02 Appendix C to Circular No. A-123, *Requirements for Effective Estimation and Remediation of Improper Payments* (Oct. 20, 2014)

- e. Published, and is meeting³, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable); and
- f. Reported a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the AFR or PAR.

Based on OMB's definition of compliance, as described above, I have determined that the FTC is compliant. The agency has published an Annual Financial Report (AFR) for the most recent Fiscal Year and posted that report and any accompanying materials as required by OMB on the agency website <https://www.ftc.gov/reports/agency-financial-report-fy2014>. FTC concluded and reported in its AFR that it has not identified any program that constitutes a high risk for improper payments and considers all of its payments to be low risk. The agency is not required to publish improper payment estimates, corrective action plans, or reduction targets. Further, during my review of relevant prior year data, nothing came to my attention that indicates the agency is susceptible to significant improper payments.

If you have questions or comments, please contact me on (202) 326-3527.

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