

# Summary of Performance and Financial Information

FISCAL YEAR  
**2015**



The Work of the Federal  
Trade Commission is Critical  
to Protecting and Strengthening  
Free and Open Markets and  
Promoting Informed Consumer  
Choice, Both in the United States  
and Around the World

FEDERAL TRADE COMMISSION



## ABOUT THIS REPORT

This Summary of Performance and Financial Information Report (SPFI) summarizes the Federal Trade Commission's (FTC) Fiscal Year (FY) 2015 Annual Performance Report (APR) and FY 2015 Agency Financial Report (AFR) and is intended for a general audience of consumers, businesses, and other stakeholders. This report provides readers with an understanding of the FTC's mission, programs, performance results, and financial highlights for the year. Web links throughout this report direct readers to relevant documents including the FY 2015 AFR, the FY 2015 APR, and the FY 2017 Congressional Budget Justification for detailed information. This Summary report, as well as the FTC FY 2015 Performance Snapshot, is available at <http://www.ftc.gov/about-ftc/performance>.

## THE FTC AT-A-GLANCE

In 1914, President Woodrow Wilson signed the Federal Trade Commission Act into law, and the Federal Trade Commission commenced its work on behalf of American consumers in 1915. The FTC is a law enforcement agency with both consumer protection and competition jurisdiction in broad sectors of the 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, Clayton Act, Identity Theft Act, and the Equal Credit Opportunity 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).

## VISION AND MISSION

The FTC's vision is a vibrant economy characterized by vigorous competition and consumer access to accurate information.

The FTC works 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.

## FISCAL YEAR 2015 HIGHLIGHTS

- The FTC collected \$707 million for redress disgorgement, including \$458 million from an antitrust settlement and \$120 million from two Bureau of Consumer Protection settlements.
- The FTC returned more than \$49 million in redress funds to consumers and over \$155 million to the U.S. Treasury derived from fees, redress disgorgements, and fines.
- The FTC saved consumers over \$3.4 billion through its merger and nonmerger actions and over \$717 million through its consumer protection law enforcement actions.
- The FTC and its data contributors added over 7.1 million consumer complaints to the agency's Consumer Sentinel Network (CSN) database. CSN is currently accessible to more than 2,000 law enforcement partner agencies worldwide.
- The FTC increased the number of partners using consumer and business education materials to over 16,000 in FY 2015.
- The FTC continues to rank highly in various categories of OPM's Federal Employee Viewpoint Survey. Compared to 37 other federal agencies with over 1,000 employees, the FTC ranked first on the Employee Engagement Index, second on the Diversity and Inclusion – New IQ Index and sixth on the Global Satisfaction Index.
- The FTC ranked fourth out of 23 mid-size agencies in the Partnership for Public Service's 2015 Best Places to Work in the Federal Government survey.

## MESSAGE FROM THE CHAIRWOMAN



EDITH RAMIREZ  
CHAIRWOMAN

The Federal Trade Commission has the important mission of protecting consumers and promoting competition in broad sectors of our economy. In FY 2015, the FTC continued to exemplify

good government, effective law enforcement, and outstanding outreach to consumers, businesses, and our law enforcement partners around the world.

### FY 2015 PERFORMANCE HIGHLIGHTS

#### CONSUMER PROTECTION

This fiscal year, the FTC emphasized four areas that reflect key challenges consumers face today: the explosive growth of mobile platforms and new technologies; privacy and data security risks; fraud targeting specific communities and financial marketplace fraud.

The FTC continues to focus on consumer protection issues that arise from the use of new technologies. In one such case, the largest prepaid mobile provider in the United States, [TracFone](#), agreed to refund \$40 million to customers to settle FTC charges that it misled millions of people with promises of “unlimited” data service even though it drastically slowed or cut off customer’s mobile data after they used more than a fixed amount in a 30-day period. The FTC has ongoing litigation against [AT&T Mobility Inc.](#) for making similar misleading “unlimited” data plan claims. In other technology related matters, the FTC has taken actions to halt [Boost Software](#) and [Inbound Call Experts](#), two massive telemarketing operations that conned tens of thousands of consumers out of more than \$120 million by deceptively marketing computer software and tech support services.

The FTC has employed a multi-pronged approach to protect the privacy of consumers’ personal information, including both law enforcement and policy initiatives.

In August 2015, the FTC prevailed in the [Third Circuit Court of Appeals](#), when the court affirmed the district court’s ruling denying [Wyndham’s](#) motion to dismiss and found that the FTC has the authority to bring enforcement actions for unreasonable data security practices under its Section 5 “unfairness” standard. The FTC filed a lawsuit against [LeapLab](#), alleging the data broker sold sensitive personal information of hundreds of thousands of people, including Social Security and bank account numbers, to scammers. At least one of those marketers that the FTC sued, allegedly used the information to withdraw millions of dollars from people’s accounts without their consent. The FTC also launched [IdentityTheft.gov](#), a new one-stop resource that makes it easier for identity theft victims to report and recover from identity theft. A Spanish version of the site is also available at [RobodeIdentidad.gov](#). The FTC expanded its efforts to help businesses protect consumers’ information through a new initiative called “[Start with Security](#)”. That includes new guidance that draws on lessons learned from the more than 50 data security cases brought by the FTC, as well as a series of conferences to be held across the country. The FTC released a detailed report on [the Internet of Things \(IOT\)](#). The report recommends that companies developing Internet of Things devices give people choices about how their information will be used, build security in at the outset, consider measures to keep unauthorized users from accessing a consumer’s device or data, and where feasible, provide security patches to cover known risks.

The FTC has taken enforcement action to stop a variety of fraudulent practices that target specific communities, such as Spanish-speaking consumers, seniors, and military service members and their families. In the [Hispanic Global Way](#) case, a court entered an order banning the defendants from telemarketing and selling weight loss products. The settling defendants agreed to surrender all of their significant assets, and a default judgment of more than \$50 million was imposed against the remaining defendants. The FTC also has taken enforcement actions to stop a variety of fraudulent practices. The FTC and law enforcement partners from all



50 states and the District of Columbia charged [four sham cancer charities](#) with taking more than \$187 million from donors and spending much of it on the sham charities' operators and telemarketers.

The FTC has continued to take enforcement actions to stop deceptive and unfair practices in the financial marketplace. Two payday lending companies settled FTC charges that they illegally charged consumers undisclosed and inflated fees. [AMG Services, Inc.](#) and [MNE Services, Inc.](#) agreed to pay \$21 million and to waive another \$285 million in charges that were assessed but not collected. The FTC settled its first cases with car title lenders. Two companies, [First American Title Lending of Georgia, LLC](#), and [Finance Select, Inc.](#), advertised zero percent interest rates for 30-day car title loans without disclosing important loan conditions, or the higher finance charge that kicked in after the introductory period ended. The companies, which advertised in English and in Spanish, are now subject to orders prohibiting deceptive advertising of car title loans. The FTC continues to take action to stop false and unsubstantiated advertising claims such as deceptive online reviews, deceptive affiliate marketing networks, and deceptive health claims.

## PROMOTING COMPETITION

The FTC actively enforces the antitrust laws in a range of industries of critical importance to American consumers, including health care, technology, energy, consumer goods and services, and manufacturing. The agency has pursued new competition law enforcement actions (merger and non-merger), conducted several important workshops, published reports, and pursued advocacy opportunities to promote competition and educate stakeholders about its benefits. The FTC also continued to vigorously monitor and enforce compliance with consent orders as well as with merger and acquisition reporting obligations under the Hart-Scott-Rodino (HSR) Act.

The healthcare and pharmaceutical sectors were again a priority area for competition enforcement. In general, the FTC works to promote competition in health care by eliminating impediments to entry by generic drug producers, stopping illegal monopolization and joint conduct by healthcare providers, and preventing anticompetitive healthcare mergers. The FTC has engaged in vigorous enforcement relating to anticompetitive "pay-for-delay" settlements of patent litigation in the

pharmaceutical industry, in which a brand name drug company pays a generic drug company to delay its entry into the market. In May 2015, the Commission obtained a landmark settlement of its 2008 lawsuit against [Cephalon, Inc.](#) The stipulated federal court order requires Teva Pharmaceutical Industries, Ltd. (parent company of Cephalon, Inc.), the largest generic drug manufacturer in the world, to disgorge and return to purchasers, including drug wholesalers, pharmacies, and insurers, \$1.2 billion in ill-gotten gains reaped from its anticompetitive agreements to pay four firms to refrain from selling generic versions of its blockbuster drug, Provigil. The stipulated order further prohibits Teva from engaging in similar patent settlement agreements in the future.

The FTC continues to prioritize healthcare provider consolidation, especially in light of the growing body of evidence showing that concentrated provider markets tend to lead to higher prices and lower quality of care. For example, in February 2015, the FTC achieved a significant victory when the [Ninth Circuit Court of Appeals affirmed the district court's decision in St. Luke's](#) that Idaho's dominant healthcare system's acquisition of the state's largest independent physician practice group violated the antitrust laws.

Also, in February 2015, the U.S. Supreme Court affirmed a [Commission decision that the North Carolina State Board of Dental Examiners](#) illegally thwarted lower-priced competition by engaging in anticompetitive conduct to prevent non-dentists from providing teeth whitening services to consumers in the state without any countervailing procompetitive justification. The decision affirmed a 2013 ruling by the U.S. Court of Appeals for the Fourth Circuit which noted that a state regulatory board dominated by self-interested private actors cannot rely on the state action doctrine to shield its anticompetitive conduct from antitrust review.

In June 2015, the FTC successfully concluded its litigation challenging [Sysco Corporation's acquisition of rival distributor US Foods](#) that would have combined the two largest broadline food service distributors in the United States. The U.S. District Court for the District of Columbia granted a preliminary injunction enjoining the transaction pending an administrative proceeding on the merits. The parties abandoned their deal shortly after the district court ruling.

## OUTREACH AND PARTNERSHIPS

Consumers, industry, and our international law enforcement partners keep us informed about real-world trends and challenges in the marketplace. Consumers can contact us online or via toll free phone numbers. Our public outreach also includes online resources, such as [www.ftc.gov](http://www.ftc.gov), much of which is also available in Spanish. We also provide updates on [Facebook](#) and [Twitter](#), and host educational videos on the [FTC's YouTube channel](#). The FTC's online Business Center offers extensive guidance to businesses.

## FINANCIAL MANAGEMENT

Being diligent and responsible stewards of the public resources that the American taxpayers and Congress provide to us is one of our most important jobs. For the FY 2015 independent financial audit, we received our 19th consecutive unmodified opinion, the highest audit opinion available. The independent auditors did not identify any material weaknesses, significant deficiencies, or instances of non-compliance with laws and regulations. I am pleased to report that management's assessment of risks and review of controls disclosed no material weaknesses and that the financial and performance data presented here is reliable and complete.

## MANAGEMENT CHALLENGES

In pursuing our strategic goals and objectives, many of the FTC's challenges are defined by the conditions of the marketplace, and thus are ever changing. We work to stay informed about new technologies and evolving markets,

which can bring tremendous benefits to consumers, but also pose challenges on both the competition and consumer protection fronts.

Additionally, the [Reports Consolidation Act of 2000](#) requires the [Inspector General \(IG\)](#) to determine key management and performance challenges facing the agency, and to assess our progress in addressing them. The IG identified securing the agency's information systems and networks from destruction, data loss, or compromise; maturing the agency's information technology governance process; improving contract management; stabilizing the agency's eDiscovery support system; and ensuring compliance with digital records management requirements as the most significant challenges facing the FTC. Agency management agrees that these are critical challenges, and with the IG's assessment of our progress in addressing them.

All of us at the FTC look forward to continuing our work to protect American consumers and promote competition.



Edith Ramirez  
February 15, 2016

## PERFORMANCE OVERVIEW AND HIGHLIGHTS

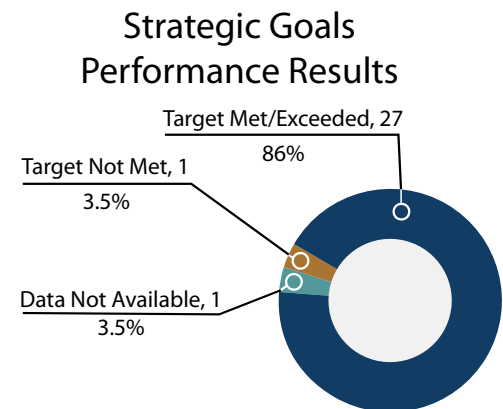
The performance planning framework originates from the FTC's Strategic Plan for Fiscal Years 2014 to 2018 and is supported by the FTC's FY 2016 – 2017 Annual Performance Plan. The FTC's work is structured around three strategic goals and eight objectives. The following table shows the FTC's net costs for its strategic goals. Additional detail on the FTC's FY 2015 performance can be found in the FTC's FY 2015 Annual Performance Report.

### NET COST FOR FTC'S STRATEGIC GOALS

Strategic Goals*	Objectives
<b>PROTECT CONSUMERS</b> Net Costs: \$170 million	1.1 Identify and take actions to address deceptive or unfair practices that harm consumers.
	1.2 Provide the public with knowledge and tools to prevent harm to consumers.
	1.3 Collaborate with domestic and international partners to enhance consumer protection.
<b>MAINTAIN COMPETITION</b> Net Costs: \$16 million	2.1 Identify and take actions to address anticompetitive mergers and practices that harm consumers.
	2.2 Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers.
	2.3 Collaborate with domestic and international partners to preserve and promote competition.
<b>ADVANCE ORGANIZATIONAL PERFORMANCE</b> Goal 3's costs are distributed to Goal 1 and Goal 2 predominately by Goal 1 and Goal 2's FTE usage, except for those non-pay costs that are clearly attributable to a specific goal.	3.1 Optimize resource management and infrastructure.
	3.2 Cultivate a high-performing, diverse, and engaged workforce.

*Note: Net Costs represent the resources used to achieve strategic goals and signify the relative efficiency and cost-effectiveness of agency program/operations. Additional details are located in Note 11 of the FY 2015 AFR.*

*\*The FTC does not divide net cost by objective.*



*Total number of performance indicators was 29. Performance results have been updated to reflect additional data collected and reported on in the FTC's FY 2015 APR (after the FTC's FY 2015 AFR was issued).*

### SUMMARY OF PERFORMANCE GOALS

Strategic Goals	FY 2014 Target	FY 2014 Actual	FY 2014 Results	FY 2015 Target	FY 2015 Actual	FY 2015 Results
<b>Strategic Goal 1: Protect Consumers</b>						
<b>Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.</b> During FY 2015, the agency saved consumers over seven times the amount of resources devoted to the consumer protection program.	Baseline year	769%	N/A	650%	723.4%	Met/ Exceeded
<b>Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury.</b> In FY 2015, the FTC returned \$49.8 million to consumers and forwarded \$26.4 million to the U.S. Treasury.	Baseline year	\$66.9 Million	N/A	\$60 Million	\$76.2 Million	Met/ Exceeded
<b>Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns.</b> The FTC increased the number of partners using consumer and business education materials by employing targeted outreach programs and leveraging cost-effective outlets, such as social media.	11,250	12,205	Met/ Exceeded	11,500	16,321	Met/ Exceeded
<b>Number of investigations or cases in which the FTC obtained foreign-based evidence.</b> In FY 2015, the FTC cooperated in 58 instances on consumer protection and privacy matters to obtain or share evidence or engage in other enforcement cooperation for investigations, cases, and enforcement-related projects.	40 cases	45 cases	Met/ Exceeded	40 cases	58 cases	Met/ Exceeded
<b>Strategic Goal 2: Maintain Competition</b>						
<b>Percentage of actions taken to maintain competition in substantial merger and nonmerger investigations.</b> The agency achieved successful outcomes in 29 of the 52 substantial merger and nonmerger investigations concluded in FY 2015.	40-60%	57.1%	Met	40-60%	55.8%	Met
<b>Total consumer savings compared to the amount of FTC resources allocated to the merger program.</b> In FY 2015, the FTC saved consumers more than 51 times the amount of resources devoted to the merger program.	2,600.0%	2,505.2%	Not Met	2,600.0%	5,129.1%	Met/ Exceeded
<b>Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.</b> In FY 2015, the FTC saved consumers more than 48 times the amount of resources devoted to the nonmerger program.	1,850.0%	2,028.3%	Met/ Exceeded	400.0%	4,863.3%	Met/ Exceeded
<b>Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority.</b> In FY 2015, the FTC had 64 substantive contacts in 35 enforcement matters with counterpart agencies around the world.	95%	100%	Met/ Exceeded	95%	100%	Met/ Exceeded
<b>Strategic Goal 3: Advance Organizational Performance</b>						
<b>Average number of days for the FTC to release information in response to a simple FOIA request.</b> In FY 2015, the FTC continued to process noncomplex Freedom of Information Act (FOIA) requests in less than six days.	6.0 days	5.4 days	Met/ Exceeded	6.0 days	5.5 days	Met/ Exceeded
<b>The extent employees believe the FTC has the talent necessary to achieve organizational goals.</b> The government-wide results for the Talent Management Index were 57.0% and the FTC received results of 72.0%.	55%	70%	Met/ Exceeded	57%	72%	Met/ Exceeded

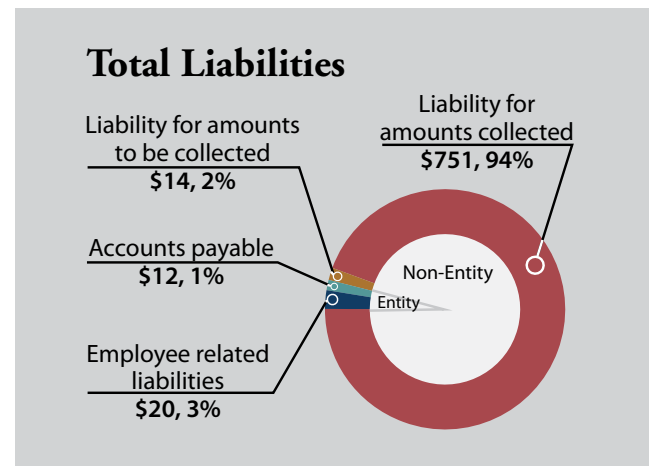
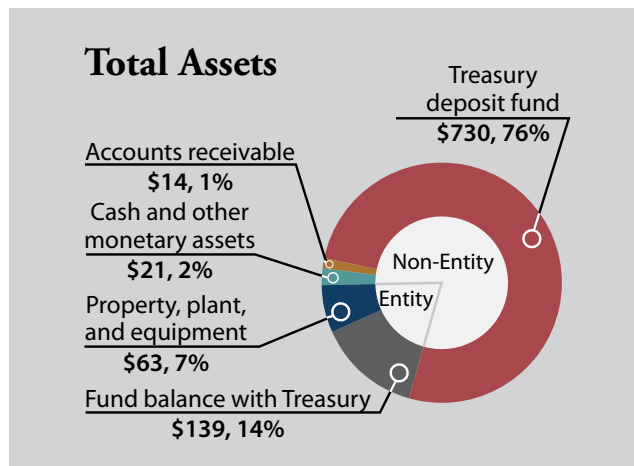
## FINANCIAL HIGHLIGHTS

The independent audit of the FTC's FY 2015 Financial Statements resulted in an unmodified (previously called unqualified) opinion for the 19th straight year. For detail information on FTC's FY 2015 financial results, please see the [FTC FY 2015 Agency Financial Report](#).

## SUMMARY FINANCIAL DATA

Dollars in Millions	FY 2015	FY 2014	% Change
<b>Balance Sheet</b>			
Entity Assets	\$ 202	\$ 197	3%
Non-Entity Assets	765	200	283%
<b>Total Assets</b>	<b>967</b>	<b>397</b>	<b>144%</b>
Entity Liabilities	32	29	10%
Non-Entity Liabilities	765	200	283%
<b>Total Liabilities</b>	<b>797</b>	<b>229</b>	<b>248%</b>
<b>Total Net Position</b>	<b>\$ 170</b>	<b>\$ 168</b>	<b>1%</b>
<b>Statement of Net Cost</b>			
Total Gross Costs	\$ 315	\$ 295	7%
Total Revenue	129	120	8%
Net Cost of Operations	\$ 186	\$ 175	6%
<b>Total Budget Authority</b>			
General Fund Appropriation	\$ 180	\$ 181	(1%)
Offsetting Collections	113	117	(3%)
<b>Total Budget Authority</b>	<b>\$ 293</b>	<b>\$ 298</b>	<b>(2%)</b>

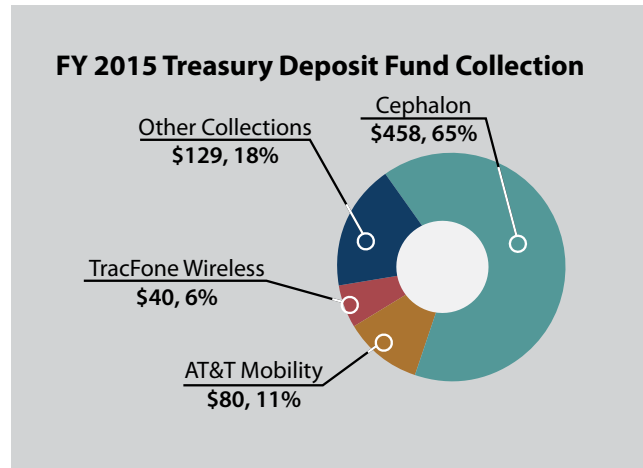
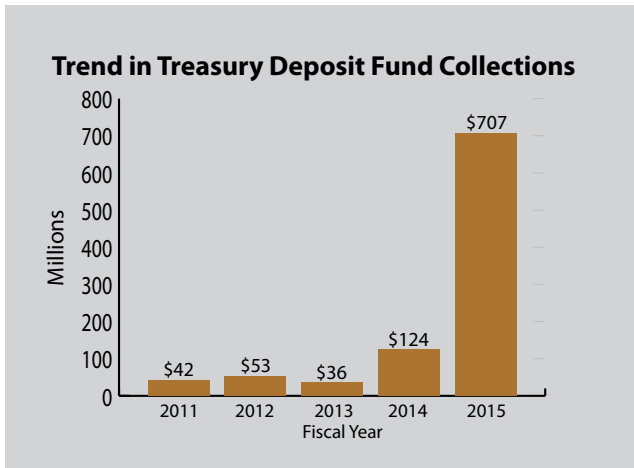
## COMPOSITION OF FY 2015 BALANCE SHEET



Non-entity assets and liabilities consist of both entity and non-entity. Entity assets, by law, are authorized for the FTC to use in its operations, while entity liabilities consist of probable and measurable future outflows of FTC entity resources. Non-entity assets are those assets held on behalf of others and are offset by an equal non-entity liability.

Non-entity assets and liabilities were \$765 million at the end of FY 2015, an increase of \$565 million or 283 percent over the FY 2014 total of \$200 million. This significant change is due to an increase in the Treasury deposit fund for consumer redress. In total, the FTC collected \$707 million during FY 2015, while disbursing \$62 million to third party agents for disbursement to consumers, and disgorging \$21 million to Treasury due to harmed consumers not being located or redress not being practicable.

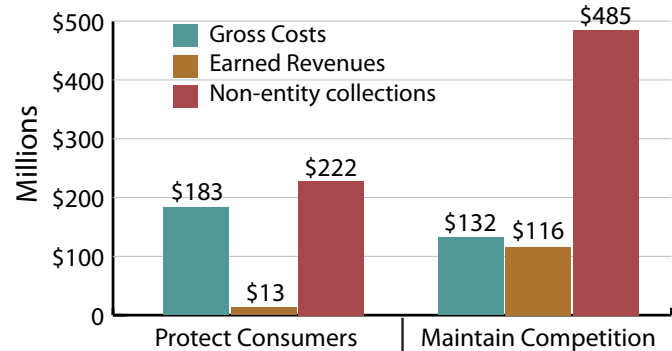
The \$707 million in the Treasury deposit fund for consumer redress reflects a significantly greater amount of collections than what is typical. The increase seen over prior years was a result of several significant judgments such as Cephalon, AT&T Mobility, and TracFone Wireless.



## COMPOSITION OF FY 2015 STATEMENT OF NET COST

The Statement of Net Cost presents the FTC’s gross costs less revenue earned for both of the FTC’s strategic goals – Protect Consumers and Maintain Competition. The third goal, Advance Organizational Performance, has its costs distributed based on FTE usage (unless a cost is clearly attributable to a specific goal). The FTC net cost of operations was \$186 million in FY 2015, which consists of \$315 million in gross costs and \$129 million in earned revenue.

In addition to the earned revenue, the FTC collected \$707 million in non-entity collections for the Treasury deposit fund for consumer redress, which are not included in the Statement of Net Cost, but are important in determining the overall impact of the agency’s strategic goals.



## CONTACT INFORMATION

GENERAL INFORMATION	
General Information Number	202-326-2222
Internet Home Page	<a href="http://www.ftc.gov">www.ftc.gov</a>
FTC Spanish Home Page	<a href="http://www.ftc.gov/espanol">www.ftc.gov/espanol</a>
Strategic Plan Internet Site	<a href="http://www.ftc.gov/strategicplan">www.ftc.gov/strategicplan</a>
FTC Press Releases	<a href="http://www.ftc.gov/news-events/press-releases">http://www.ftc.gov/news-events/press-releases</a>
CONSUMER RESPONSE CENTER	
General Complaints	877-FTC-HELP (877-382-4357)
Identity Theft Complaints	877-ID-THEFT (877-438-4338)
Online General Complaints	<a href="http://www.ftc.gov/complaint">www.ftc.gov/complaint</a>
Identity Theft Education and Complaints	<a href="http://www.ftc.gov/idtheft">www.ftc.gov/idtheft</a>
National Do Not Call Registry	<a href="http://www.donotcall.gov">www.donotcall.gov</a>

### FEDERAL TRADE COMMISSION

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