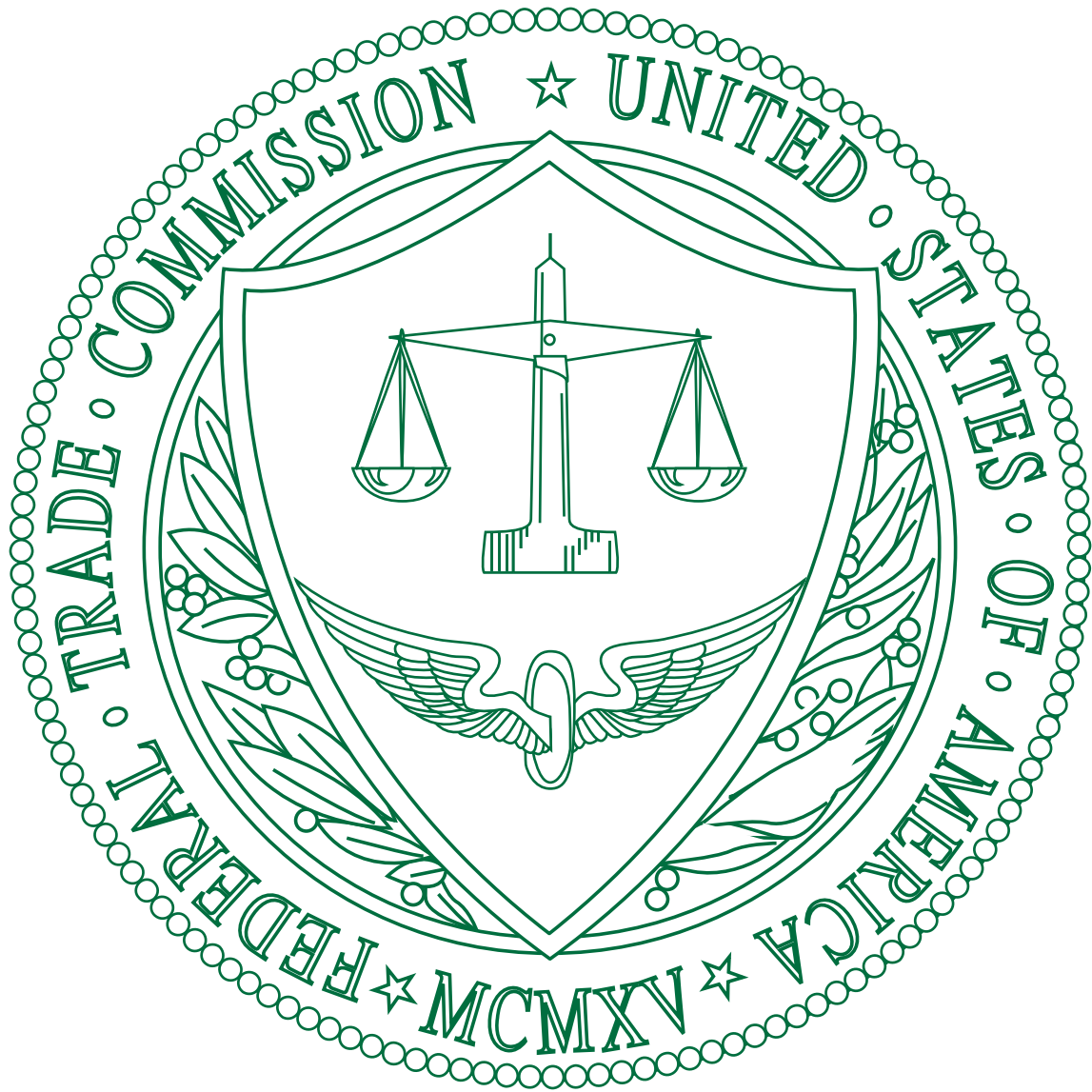


FISCAL YEAR 2017 PERFORMANCE REPORT AND  
ANNUAL PERFORMANCE PLAN  
FOR FISCAL YEARS 2018 AND 2019



## Budgeted Resources by Objective

(\$ in thousands)

<b>Strategic Goal 1: Prevent fraud, deception, and unfair business practices in the marketplace.</b>	<b>FY 2018 FTE</b>	<b>FY 2018 Amount</b>	<b>FY 2019 FTE</b>	<b>FY 2019 Amount</b>
Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers.	510	\$142,264	510	\$142,264
Objective 1.2: Provide the public with knowledge and tools to prevent harm to consumers.	73	21,194	73	21,194
Objective 1.3: Collaborate with domestic and international partners to enhance consumer protection.	29	7,735	29	7,735
<b>Total</b>	<b>612</b>	<b>\$171,193</b>	<b>612</b>	<b>\$171,193</b>

<b>Strategic Goal 2: Prevent anticompetitive mergers and other anticompetitive business practices in the marketplace.</b>	<b>FY 2018 FTE</b>	<b>FY 2018 Amount</b>	<b>FY 2019 FTE</b>	<b>FY 2019 Amount</b>
Objective 2.1: Identify and take actions to address anti-competitive mergers and practices that cause harm to consumers.	453	\$119,654	453	\$118,642
Objective 2.2: Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers.	53	13,855	53	13,741
Objective 2.3: Collaborate with domestic and international partners to preserve and promote competition.	22	6,172	22	6,124
<b>Total</b>	<b>528</b>	<b>\$139,681</b>	<b>528</b>	<b>\$138,507</b>

**FTE by Objective**  
(\$ in thousands)

<b>Protecting Consumers</b>	<b>Fiscal Year 2018</b>				<b>Fiscal Year 2019</b>			
	<b>Objective Number</b>			<b>Total FTE</b>	<b>Objective Number</b>			<b>Total FTE</b>
	<b>1</b>	<b>2</b>	<b>3</b>		<b>1</b>	<b>2</b>	<b>3</b>	
Privacy and Identity Protection	41	8	3	52	41	8	3	52
Financial Practices	65	7	4	76	65	7	4	76
Marketing Practices	112	5	10	127	112	5	10	127
Advertising Practices	63	5	3	71	63	5	3	71
Enforcement	42	1	1	44	42	1	1	44
Planning and Information	---	---	---	---	---	---	---	---
Consumer Response and Operations	23	1	---	24	23	1	---	24
Litigation Technology and Analysis	31	1	---	32	31	1	---	32
Consumer and Business Education	---	20	---	20	---	20	---	20
Economic and Consumer Policy Analysis	2	5	1	8	2	5	1	8
Management	13	3	---	16	13	3	---	16
Support	118	17	7	142	118	17	7	142
<b>Total</b>	<b>510</b>	<b>73</b>	<b>29</b>	<b>612</b>	<b>510</b>	<b>73</b>	<b>29</b>	<b>612</b>

<b>Promoting Competition</b>	<b>Fiscal Year 2018</b>				<b>Fiscal Year 2019</b>			
	<b>Objective Number</b>			<b>Total FTE</b>	<b>Objective Number</b>			<b>Total FTE</b>
	<b>1</b>	<b>2</b>	<b>3</b>		<b>1</b>	<b>2</b>	<b>3</b>	
Premerger Notification	15	3	---	18	15	3	---	18
Merger and Joint Venture Enforcement	187	10	5	202	187	10	5	202
Merger and Joint Venture Compliance	9	2	---	11	9	2	---	11
Nonmerger Enforcement	116	6	5	127	116	6	5	127
Nonmerger Compliance	1	---	---	1	1	---	---	1
Antitrust Policy Analysis	3	16	7	26	3	16	7	26
Other Direct	16	4	---	20	16	4	---	20
Support	106	12	5	123	106	12	5	123
<b>Total</b>	<b>453</b>	<b>53</b>	<b>22</b>	<b>528</b>	<b>453</b>	<b>53</b>	<b>22</b>	<b>528</b>

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# ORGANIZATIONAL OVERVIEW

## About the Annual Performance Report FY 2017 and the Annual Performance Plan FY 2018-2019

Beginning in FY 2014, the Federal Trade Commission (FTC) combined the Annual Performance Report and the Annual Performance Plan into a single document. The performance report and the performance plan are organized by strategic goal and objective as defined by the FTC Strategic Plan. FY 2017 was a transition year as Federal agencies reviewed and updated their Strategic Plans in view of a new Presidential administration and as required by the Government Performance and Results Modernization Act (GPRMA) of 2010. As a result, the FTC Annual Performance Plan (FY 18-19) and the Annual Performance Report (FY 17) are based on two separate Strategic Plans. The FY 2017 Annual Performance Report (Section III) is organized by strategic goal and objective as defined in the Agency Strategic Plan for Fiscal Years 2014 to 2018. The FY 2018-2019 Annual Performance Plan (Section IV) is organized by strategic goal and objective as defined in the recently updated [Agency Strategic Plan for Fiscal Years 2018 to 2022](#). In FY 2017-2018, the FTC also sought input from Congress, the Office of Management and Budget, and its stakeholders to ensure that its strategic goals, objectives, and performance goals continue to provide relevant information that reflects the FTC's performance.

To see the FTC's performance and budget documents, please view <https://www.ftc.gov/about-ftc/performance> and <https://www.ftc.gov/about-ftc/budgets>.<sup>1</sup>

## The FTC At-a-Glance

### Laws Enforced

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

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<sup>1</sup> The President's Budget identifies lower-priority program activities, where applicable, as required under the GPRMA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access this information at <https://www.whitehouse.gov/omb/budget>. The FTC does not have any lower-priority program activities.

## Profile

- The agency is headquartered in Washington, D.C. and operates with seven regions across the United States.
- The agency had 1,141 full-time equivalent employees at the end of FY 2017.
- Total new budget authority for FY 2017 was \$313 million.

## Agency and Mission Information

The work of the FTC is critical to protecting and strengthening free and open markets and promoting informed consumer choice, both in the United States and around the world. The FTC performs its mission through the use of a variety of tools, including law enforcement, rulemaking, research, studies on marketplace trends and legal developments, and consumer and business education. The FTC revised its Mission Statement in the FY 2018-2022 Strategic Plan. The Vision Statement was unchanged.

## Mission

Protecting consumers and competition by preventing anticompetitive, deceptive, and unfair business practices through law enforcement, advocacy, and education without unduly burdening legitimate business activity.

## Vision

A vibrant economy characterized by vigorous competition and consumer access to accurate information.

## Our History and Organization

The FTC is an independent agency that reports to the President and to Congress on its actions. These actions include pursuing vigorous and effective law enforcement; advancing consumers' interests by sharing its expertise with Congress, state legislatures, and U.S. and international agencies; developing policy and research tools through hearings, workshops, and conferences; and creating practical and plain-language educational programs and materials for consumers and businesses in a global marketplace with constantly changing technologies.

The FTC has a long tradition of maintaining a competitive marketplace for both consumers and businesses. In 1914, President Woodrow Wilson signed the Federal Trade Commission Act into law, creating the FTC, which then absorbed its predecessor, the Bureau of Corporations, in 1915. When the FTC was created in 1914, its purpose was to prevent unfair methods of competition in commerce as part of the battle to "bust the trusts." Over the years, Congress passed additional laws giving the agency greater authority over anticompetitive practices.

Recognizing that unfair and deceptive practices can distort a competitive marketplace as much as unfair methods of competition, in 1938 Congress amended the FTC Act and

granted the FTC authority to stop “unfair or deceptive acts or practices in or affecting commerce.” Since then, the FTC also has been directed to enforce a wide variety of other consumer protection laws and regulations. The agency maintains a website at [www.ftc.gov](http://www.ftc.gov) that provides information for consumers and businesses, as well as online forms to file complaints.

The FTC is headed by a five-member Commission, nominated by the President and confirmed by the Senate, each serving a staggered seven-year term. The President chooses one commissioner to act as Chair. No more than three commissioners may be from the same political party. The FTC’s mission is carried out by three bureaus: the Bureau of Consumer Protection (BCP), the Bureau of Competition (BC), and the Bureau of Economics (BE). Their work is aided by the Office of the General Counsel, the Office of International Affairs, the Office of Policy Planning, the Office of the Secretary, the Office of the Executive Director, the Office of Congressional Relations, the Office of Public Affairs, the Office of Administrative Law Judges, the Office of Equal Employment and Workplace Inclusion, the Office of the Inspector General, and eight regional offices across the country. For more information about the agency’s components, visit its [organizational structure webpage](#).

### **Our People**

The FTC’s workforce is its greatest asset. The agency’s workforce consists of 1,141 civil service employees dedicated to carrying out the agency’s mission.

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# PERFORMANCE OVERVIEW

The FY 2017 Annual Performance Report contains details of program performance results, trend data by fiscal year, resources, strategies, and factors affecting performance. The performance results described in this report enable the FTC to administer and gauge the success of its programs, and make adjustments necessary to improve program quality for the public. The steps the FTC has taken to ensure the performance information it reports is complete, accurate, and consistent are described under Verification and Validation of Performance Data, and in the [Data Quality Appendix](#). Historical performance results for FYs 2013 to 2017 are presented in the tables following this section.

## Strategic and Performance Planning Framework

The Federal Trade Commission’s planning framework originates from the FTC’s Strategic Plan for Fiscal Years 2018-2022 and is supported by the FTC’s Performance Plan for FY 2018-2019. The FTC’s work is structured around three strategic goals and their supporting objectives. Performance goals are used to gauge the FTC’s success for each objective. No performance goals have been added or removed since the publication of the Strategic Plan. The following table describes each element of the FTC’s performance framework.

Element	Description
Strategic Goals	Statements of long-term aims outlined in the Strategic Plan, which define how the agency carries out its mission.
Objectives	Statements of how the agency plans to achieve the strategic goals.
Performance Goals	Measures used to gauge success in reaching objectives.
Key Performance Goals	Measures that best indicate whether agency activities are achieving the desired outcome associated with the related objective.
Targets	Expressions of desired performance levels or specific desired results targeted for a given fiscal year. Targets are expressed in quantifiable terms.

## Performance Measurement Reporting Process

Bureau and Office representatives serve as the Performance Measure Reporting Officials (PMROs), who act as data stewards for each of the agency’s publicly reported performance goals. The PMROs report to the Deputy Chief Financial Officer (DCFO) on a monthly, quarterly, or annual basis via an internal data reporting tool. The Financial Management Office (FMO) also leads periodic performance goal reviews in coordination with budget execution reviews. The CFO / Performance Improvement Officer (PIO), the Executive Director, the Chief of Staff, and the Chairman are briefed on the re-

sults and any significant variances in planned versus actual results. The PIO and DCFO then coordinate with the PMROs on any adjustments to strategies and tactics based on the performance results.

### **Performance Goals Overview**

The FTC has established performance goals or measures for assessing program performance against strategic goals and objectives.

In FY 2017, FTC evaluated its performance against 29 performance goals/measures. Nine are considered “key” performance goals because they best indicate whether agency activities are achieving the desired outcome associated with the related objective. Additionally, four performance goals are considered efficiency performance goals because either they are ratios of outcomes to inputs or they capture administrative timeliness. For each performance goal, the FTC has established a performance target.

In FY 2018-2019, FTC’s Performance Plan is based on the FTC’s revised Strategic Plan, which is structured around 30 performance goals/measures of which nine are considered “key.”

### **Relationship of Outputs to Outcomes**

The FTC continuously reviews its performance framework and focuses on tracking and reporting the most appropriate and meaningful outcome performance goals to show effectiveness, efficiency, and results. For example, outcome-based Performance Goal 1.1.4 measures the amount of money the FTC returns to consumers or forwards to the U.S. Treasury. Outcome-based Performance Goals 2.1.2 and 2.1.4 estimate the millions of dollars in consumer savings that result from merger and nonmerger actions taken to maintain competition. The FTC, however, has not developed outcome performance goals in all cases, and uses process, customer service, and output measures that either, support outcomes, lead to outcomes, or otherwise provide valuable indicators of how the FTC is progressing toward achieving its strategic goals and objectives. Under the consumer protection strategic goal, for example, Performance Goal 1.1.1 indicates the percentage of the agency’s consumer protection law enforcement actions that targeted the subject of consumer complaints, and Performance Goal 1.2.3 provides the number of workshops and conferences the FTC convened that address consumer protection issues. While these performance goals are not outcome-oriented, they bring the FTC closer to determining its impact on the ultimate desired outcome of a marketplace free of unfair practices, fraud, and deception that injure consumers.

### **Verification and Validation of Performance Data**

The performance results described in this report enable the FTC to administer its programs, gauge programmatic success, and make adjustments necessary to improve program quality. The [Data Quality Appendix](#) provides details on the data quality of each performance goal. Additionally, the following steps outline how the agency ensures the performance information it reports is complete, reliable and accurate:

- The FTC has adopted a central internal repository for performance data entry, reporting, and review. The electronic data tool reduces human error, increases transparency, and facilitates senior management review of the agency's performance information.
- The agency maintains written procedures used to ensure timely reporting of complete, accurate, and reliable results relative to the performance goals.
- The agency holds program managers accountable to set meaningful and realistic targets that also challenge the agency to leverage its resources. This includes ensuring ongoing monitoring and updating of performance targets. Further, when appropriate, program managers are required to explain how they will improve performance when targets are not met.
- The agency conducts quarterly performance measurement reviews with management as well as periodic senior management review throughout the fiscal year. This process includes substantiating that actual results reported are indeed correct whenever those results reveal significant discrepancies or variances from the target.

Agency program managers also monitor and maintain automated systems and databases that collect, track, and store performance data, with support provided by the FTC's Office of the Chief Information Officer (OCIO). In addition to the general controls the FTC has in place, which ensure only authorized staff can access key systems, each application (system) incorporates internal validation edits to ensure the accuracy of data contained therein. These application edits include checks for reasonableness, consistency, and accuracy. Crosschecks between other internal automated systems also provide assurances of data accuracy and consistency. In addition to internal monitoring of each system, experts outside of the business units (e.g., BC and BCP) routinely monitor the data collection. For example, senior economists from BE review statistical data used by BC to calculate performance results.

The FMO is responsible for providing direction and support on data collection methodology and analysis, ensuring that data quality checks are in place, and accurately reporting performance data.

## Evidence Building

**Strategic Goal 1: Protect consumers from unfair and deceptive practices in the marketplace:** The FTC continuously evaluates the effectiveness of its efforts to protect consumers. The agency's research and analysis of important and emerging consumer protection issues enhances agency decision-making and enables the agency to better protect consumers. This work is done through the Bureau of Consumer Protection and the Bureau of Economics. The FTC assesses the extent to which FTC staff and its law enforcement partners use the consumer complaint and other information collected or published. The agency evaluates whether enforcement activities are tracking the areas of greatest concern and whether there are new practices or technologies that require additional law enforcement. The FTC collects customer satisfaction data about the

Consumer Response Center (CRC), which is often consumers' first contact with the FTC. If consumers do not have a satisfactory experience with the CRC, they may be less likely to file complaints. The FTC also collects customer satisfaction data on its consumer education websites to gauge their effectiveness, helpfulness, and usability. Consumer education serves as the first line of defense against deception and unfair practices. Well-informed consumers are better able to protect themselves from bad actors in the marketplace.

The FTC's secure online consumer complaint database, Consumer Sentinel Network (CSN), provides law enforcement agencies worldwide with access to tens of millions of consumer fraud, identity theft, financial, and Do Not Call Registry complaints collected during the past five years. The CSN includes complaints filed with the FTC, other federal agencies, state law enforcement organizations, and non-governmental organizations. Consumer complaints help the FTC identify consumer protection issues and trends in the fast-changing, increasingly global marketplace. The data contained in the CSN is used by the FTC and other agencies to research cases, identify victims, track possible targets, and focus the FTC's consumer and business education efforts. Every year the FTC publishes a report of the top consumer complaints received, including a break out of complaint data on a state-by-state basis.

To help ensure that its enforcement, education, and advocacy efforts are well-targeted, the Bureau of Consumer Protection works with the Bureau of Economics in evaluating economic harm to consumers as cases and programs are developed. For example, the Bureau of Economics is currently conducting the Commission's fourth survey about consumers' experiences with consumer fraud to understand better the prevalence of certain types of consumer fraud and how the incidence of such frauds has changed since the last survey in 2011. The Bureau of Consumer Protection also works to ensure its consumer and business education materials are timely and useful.

**Strategic Goal 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes:** The FTC continuously evaluates the effectiveness of its efforts to maintain and promote competition. Evidence is the central component in carrying out the Bureau of Competition's mission. For example, the Bureau of Competition uses market-based evidence when considering whether conduct could have a substantial effect on competition. In addition, economists from the FTC's Bureau of Economics are actively engaged in analyzing all facets of matters the Bureau of Competition investigates or litigates. In addition to enforcement work, the Economics Bureau conducts analyses of competition issues and market trends. For example, the Bureaus of Competition and Economics recently completed a broad study of all of the Commission's merger orders from 2006 through 2012, evaluating the success of each remedy and examining the remedy process more generally. This study helps the FTC develop improved remedies based on evidence from prior cases.

The Office of Policy Planning (OPP) also does research and holds public workshops on new or evolving competition-related areas of interest to the Commission. Information

collected through this work directly impacts enforcement and advocacy targeting. OPP also uses survey data and outcome data to evaluate the effectiveness of the agency's advocacy efforts relating to competition issues, and reports publicly on those results in the FTC's Annual Performance Report. Always looking forward, the FTC strives to adapt to the dynamic markets we protect by leveraging the research, advocacy, and education tools at its disposal to improve its understanding of significant antitrust and consumer protection issues and emerging trends in business practices, technology, and markets.

**Strategic Goal 3: Advance the FTC's performance through excellence in managing resources, human capital, and information technology:**

The FTC rigorously reviews its management functions. With respect to financial management, the FTC's financial statements are audited annually, which encompasses a thorough overview of the agency's financial position and various transactions throughout the fiscal year. With respect to human capital management, reviews are essential for hiring, managing, training, and retaining talented and high performing employees. To that end, the FTC regularly evaluates and acts on the recommendations for improvements of its human capital programs via Office of Personnel Management (OPM) audits and assessments, Equal Employment Opportunity Commission (EEOC) reviews, and internal pulse and customer satisfaction surveys. In addition, results from OPM's Federal Employee Viewpoint Survey provide important data on employees' engagement, sense of inclusion, dedication to the FTC mission, and commitment to personal accountability. To effectively respond to customer feedback, the FTC's Office of the Executive Director (OED) maintains an intranet catalog of over 100 agency services and measures performance against documented service norms. Service level agreements are in place for selected key services to further improve operational effectiveness. OED also disseminates periodic surveys to customers around to gauge customer satisfaction and uses the data to target areas for improvement.

The FTC's Office of the Chief Information Officer (OCIO) uses multiple sources of data to make resource allocation and investment decisions. The OCIO uses data from the FTC IT Risk Management system (FIRM) to evaluate overall IT program risk based on impact and probability and to determine which high-risk program areas require additional resources to mitigate possible issues. System and network monitoring data collected from automated management tools provides insight into system and application performance, identifying issues that may cause downtime or system latency and signifying where upgrade, replacement, or enhancement may be required.. End-user service requests, incident tickets, and customer satisfaction data are monitored using the agency's IT service management tool to determine where end-user tools may require additional functionality or users may require training. With respect to cybersecurity, annual government-wide Federal Information Security Modernization Act (FISMA) reviews are conducted, and the agency reviews and acts on areas that need improvement. Information security vulnerability data is closely monitored using vulnerability management tools to analyze the agency's cybersecurity posture and determine where resources should be allocated to keep agency systems secure.

The FTC's Office of Public Affairs (OPA) manages the agency's primary website, FTC.gov, and its social media properties. The office gathers and analyzes web traffic data weekly, monthly, and annually to understand customer needs and behavior in order to improve content and the customer experience. For projects that involve a website redesign or a major change to site functionality, usability studies are conducted to test how the change would impact the customer experience, and modifications are made if necessary. OPA gathers and analyzes social media metrics weekly, and modifies social media strategies as needed, to improve reach and effectiveness.

### **Strategic Human Capital Management**

The FTC's strategic human capital management ensures that the agency has the diverse, skilled workforce needed to advance its mission, achieve its strategic goals and objectives, and meet performance measure targets. The agency conducts human capital planning in concert with long-term strategic planning and annual performance planning to keep human capital goals, policies, programs, and initiatives aligned with the strategic and performance plans.

Human capital planning encompasses leadership and knowledge management, a results-oriented performance culture, talent management, and job satisfaction, which are evaluated annually by the [U.S. Office of Personnel Management's Employee Viewpoint Survey](#). More detailed information on human capital performance goals and results are provided in Strategic Objective 3.2 in both the Annual Performance Report and the Annual Performance Plan sections of this report.

### **Enterprise Risk Management**




The FTC has initiated an Enterprise Risk Management (ERM) program to assess risks systematically across major program areas. ERM assesses the full spectrum of the agency's risks related to achieving its strategic objectives using the agency Strategic Plan. The result of the assessment will be provided to agency leadership with a portfolio view of risk to help inform decision-making. For FY 2017, the agency used the performance goals in the Strategic Plan to help identify, document, and report risk in the form of a risk portfolio (register). For FY 2018, ERM will standardize risk management and monitoring activities throughout the agency.

# ANNUAL PERFORMANCE REPORT


## Annual Performance Goals: Fiscal Years 2013 to 2017

For additional performance information, please see the reports available at

<http://www.ftc.gov/about-ftc/performance>.

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
<b>STRATEGIC GOAL 1: PROTECT CONSUMERS</b>						
<b>Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers.</b>						
<b>Performance Goal 1.1.1</b> Percentage of the FTC's consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC.	90.9%	89.9%	93.8%	91.2%	80.0%	94.4%
<b>Performance Goal 1.1.2</b> Rate of customer satisfaction with the FTC's Consumer Response Center.						
(A) Website	(A)76.0	(A) 71.0	(A) 81.0	(A) 81.0	(A) 73.0	(A)80.0
(B) Call Center	(B)80.0	(B) 81.0	(B) 82.0	(B) 83.0	(B) 73.0	(B) 84.0
 <b>Key Efficiency Performance Goal 1.1.3</b> Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.	N/A	769.0%	723.4%	1,083.8%	650.0%	1,278.3%
 <b>Key Performance Goal 1.1.4</b> Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury.	N/A	\$66.9 million	\$76.2 million	\$57.6 million	\$60.0 million	\$366.0 million
<b>Objective 1.2: Provide the public with knowledge and tools to prevent harm to consumers.</b>						
<b>Performance Goal 1.2.1</b> Rate of consumer satisfaction with FTC consumer education websites.	80.0	79.0	Data Not Available	76.0	73.0	77.0
 <b>Key Performance Goal 1.2.2</b> Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns.	11,236	12,205	16,321	14,509	12,500	12,944
<b>Performance Goal 1.2.3</b> Number of workshops and conferences the FTC convened that address consumer protection problems.	12	10	17	12	10	19
<b>Performance Goal 1.2.4</b> Number of consumer protection reports the FTC released.	12	6	6	8	6	10





## Annual Performance Goals: Fiscal Years 2013 to 2017

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
<b>Objective 1.3: Collaborate with domestic and international partners to enhance consumer protection.</b>						
<b>Performance Goal 1.3.1</b> Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection.	N/A	424	435	387	375	359
 <b>Key Performance Goal 1.3.2</b> Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions, or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters.	61	45	58	53	40	50
<b>Performance Goal 1.3.3</b> Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC.	N/A	60	76	66	60	66
<b>Performance Goal 1.3.4</b> Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	85.7%	81.8%	100.0%	85.7%	60.0%	*

\*Data for 1.3.4 and 2.2.3 is reported with a one year lag. FY 2017 results will be reported in the FY 2018 APR.




## Annual Performance Goals: Fiscal Years 2013 to 2017

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
<b>STRATEGIC GOAL 2: MAINTAIN COMPETITION</b>						
<b>Objective 2.1: Identify and take actions to address anticompetitive mergers and practices that harm consumers.</b>						
 <b>Key Performance Goal 2.1.1</b> Percentage of actions taken to maintain competition in substantial merger and nonmerger investigations.	42.2%	57.1%	57.7%	54.6%	40.0-60.0%	49.1%
<b>Performance Goal 2.1.2</b> Consumer savings through merger actions taken to maintain competition.	\$564.2 million	\$1 billion	\$2.4 billion	\$2.6 billion	\$2.1 billion	\$2.6 billion
 <b>Key Efficiency Performance Goal 2.1.3</b> Total consumer savings compared to the amount of FTC resources allocated to the merger program.	1,382.2%	2,505.2%	5,131.6%	4,640.3%	4,200.0%	5,563%
<b>Performance Goal 2.1.4</b> Consumer savings through nonmerger actions taken to maintain competition.	\$449.8 million	\$419.0 million	\$1.0 billion	\$1.0 billion	\$900.0 million	\$1.1 billion
 <b>Key Efficiency Performance Goal 2.1.5</b> Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.	2,296.0%	2,028.3%	4,863.3%	5,228.6%	4,000.0%	3,959%
<b>Objective 2.2: Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers</b>						
Performance Goal 2.2.1 Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.	4	4	4	3	4	3
Performance Goal 2.2.2 Number of reports and studies the FTC issued on key competition-related topics.	14	11	9	9	8	11
Performance Goal 2.2.3 Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	75.0%	93.3%	80.0%	64.7%	60.0%	*
<b>Objective 2.3: Collaborate with domestic and international partners to preserve and promote competition.</b>						
 <b>Key Performance Goal 2.3.1</b> Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes.	100.0%	100.0%	100.0%	100.0%	95.0%	96.0%
<b>Performance Goal 2.3.2</b> Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or government, directly and through international organizations, through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, or comments, and with foreign officials when they visit the FTC.	134	161	144	171	120	160

\*Data for 1.3.4 and 2.2.3 is reported with a one year lag. FY 2017 results will be reported in the FY 2018 APR.

## Annual Performance Goals: Fiscal Years 2013 to 2017

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
<b>STRATEGIC GOAL 3: ADVANCE ORGANIZATIONAL PERFORMANCE</b>						
<b>Objective 3.1: Optimize resource management and infrastructure.</b>						
<b>Performance Goal 3.1.1</b> A favorable Continuity of Operations (COOP) rating.	85.0%	85.0%	90.0%	90.0%	75.0%	95.0%
<b>Performance Goal 3.1.2</b> Availability of information technology systems.	100.00%	99.98%	99.82%	99.75%	99.50%	99.70%
<b>Performance Goal 3.1.3</b> Achieved a favorable (unmodified) audit opinion from the agency's independent financial statement auditors.	Unmodified opinion				Unmodified opinion	Unmodified opinion
<b>Efficiency Performance Goal 3.1.4</b> Average number of days for the FTC to release information in response to a simple FOIA request.	7.4 days	5.4 days	5.5 days	5.9 days	6.0 days	5.4 days
<b>Objective 3.2: Cultivate a high-performing, diverse, and engaged workforce.</b>						
<b>Performance Goal 3.2.1</b> FTC achieves a high ranking in the Best Places to Work in the Federal Government.	Ranked 4th	Ranked 4th	Ranked 4th	Ranked 5th	Within the top 10 of mid-size agencies	Ranked 4th
 <b>Key Performance Goal 3.2.2</b> The extent employees believe the FTC has the talent necessary to achieve organizational goals.	69%	70%	72%	74%	59%.	77%
<b>Performance Goal 3.2.3</b> The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.	N/A	68%	70%	75%	60%	78%

## **STRATEGIC GOAL 1: PROTECT CONSUMERS**

The FTC has jurisdiction over a wide range of consumer protection issues. To carry out its broad mission, it must effectively use limited resources by targeting its law enforcement and education efforts to achieve maximum impact and by working closely with federal, state, international, and private sector partners in joint initiatives. In addition, the agency engages in dialogue with a broad range of stakeholders to understand emerging issues. The FTC also conducts research on a variety of consumer protection topics.

### **Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers.**

#### **FY 2017 Strategic Objective Progress Update**

##### **Progress Made**

The agency continued to focus its resources on areas that cause the greatest harm to consumers. In FY2017, the agency initiated or obtained settlements in 112 consumer protection enforcement actions. For example, the agency, along with 11 states and the District of Columbia, launched a coordinated federal-state law enforcement initiative, dubbed “Operation Game of Loans,” to target deceptive student loan debt relief scams. In a victory for the FTC, a federal court ordered Dish Network to pay \$280 million in civil penalties and to stop violations of the FTC’s Telemarketing Sales Rule and other federal and state laws. Overall, In FY17, the FTC filed or obtained settlements in 86 consumer protection matters in district court, reached 26 administrative consent agreements related to consumer protection, and distributed more than \$358 million in redress to consumers.

In the area of privacy, the agency held a Connected Cars workshop with the National Highway Traffic Safety Administration (NHTSA) that focused on balancing the privacy and safety impacts of this technology with consumer benefits. The agency also hosted its second PrivacyCon event to continue and expand collaboration among leading white hat researchers, academics, industry representatives, consumer advocates, and the government to address the privacy and security implications of emerging technologies.

The FTC also announced the winner of an Internet of Things (IoT) Home Inspector Challenge, which provided a top prize of \$25,000 to develop a tool that would help consumers protect the security of their IoT devices. The winning product, a mobile app, will enable users with limited technical expertise to identify devices with out-of-date software and other common security vulnerabilities and provide instructions on how to update each device’s software and address other vulnerabilities. The FTC also awarded a \$3,000 honorable mention to a team that proposed an alternative method of securing home networks from vulnerable IoT devices.

The agency took measures to streamline information requests to businesses, while preserving the its ability to conduct thorough investigations. The FTC also announced proposals to minimize or eliminate certain regulations that may no longer in the public

interest, including the 1966 Picture Tube Rule and the 1959 Textile Rule. Further streamlining will occur as the FTC continues its regular, systematic reviews of all rules and guides, assessing their costs and benefits to consumers and businesses.

BCP continued to make law enforcement training a priority in FY 2017. The Bureau continued to expand the content on BCP Lit, its widely used internal training and information platform, adding new training videos, legal resources, and investigation and litigation advice. The Bureau provided seminars and lectures on topics including business-coaching scams, accounting basics for litigators, the SAFE WEB Act, and preserving an asset freeze. BCP also hosted numerous brown bags on litigation topics. In addition, BCP, through its Office of Technology (OTech), worked to keep BCP’s staff current and tech-savvy, providing training on topics such as social media apps, mobile tools, and evidence capture. In addition, BCP continued to offer its mentoring program to staff.

### Challenges or Barriers

BCP faces resource challenges such as rising costs for expert witness contracts, travel, and litigation support tools. Overcoming these challenges is critical as BCP litigates larger and more complex cases involving traditional frauds as well as cases in emerging technologies, privacy and data security, and deceptive advertising in new media channels.

<b>Performance Goal 1.1.1:</b> Percentage of the FTC's consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC. (Output Measure)					
This goal gauges how well the FTC's consumer protection law enforcement actions target the subject of consumer complaints.					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Target</b>	70%	80%	80%	80%	80%
<b>Actual</b>	90.9%	89.9%	93.8%	91.2%	94.4%
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded
<b>FY 17 Highlights:</b> In FY 2017, 94.4%, or 51 of 54, of BCP’s law enforcement actions targeted the subject of consumer complaints to the FTC. Because BCP augments identification of targets from its databases with other strategies for generating enforcement leads – such as monitoring compliance with FTC orders, ad monitoring, Internet surfs, mobile application surveys, and direct referrals from government and private sector partners – the results vary from year to year.					

**Performance Goal 1.1.2: Rate of customer satisfaction with the FTC’s Consumer Response Center. (Customer Satisfaction Measure)**

This goal ensures that the agency’s Consumer Response Center is providing satisfactory service when it responds to consumer calls or complaints. The Consumer Response Center is often consumers’ first contact with the FTC, and if consumers do not have a satisfactory experience, they may be less likely to file complaints. This goal includes two measures; (a) the website meets or exceeds the average citizen satisfaction rate as published in the ASCI’s E-Government Satisfaction Index and (b) the Call Center meets or exceeds standards for call centers developed by the Citizens Service Levels Interagency Committee.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	(a) 74.0 (b) 74.0	(a) 74.0 (b) 74.0	(a) 72.0 (b) 72.0	(a) 73.0 (b) 73.0	(a) 73.0 (b) 73.0
<b>Actual</b>	(a) 76.0 (b) 80.0	(a) 71.0 (b) 81.0	(a) 81.0 (b) 82.0	(a) 81.0 (b) 83.0	(a) 80.0 (b) 84.0
<b>Status</b>	(a) Exceeded (b) Exceeded	(a) Not met (b) Exceeded	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded

**FY 17 Highlights:** In the second quarter of 2017, the Customer Satisfaction Index for the FTC Call Center rose two points to 85, the highest since the program’s inception. The FTC website and Call Center continue to perform above private and public sector industry benchmarks.

**Key Performance Goal 1.1.3: Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.**

This goal tracks how much money the FTC saves consumers each year through law enforcement. When the FTC files an administrative complaint or a federal district court action and prevails in litigation, it typically obtains a court order stopping the challenged practices. If defendants fail to comply with such an order, they are subject to contempt or civil penalty proceedings. By obtaining court orders to stop illegal practices that harm consumers, the agency directly prevents additional consumer losses.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	N/A	Baseline	650.0%	650.0%	650.0%
<b>Actual</b>	N/A	769.0%	723.4%	1,083.8%	1,278.3%
<b>Status</b>	N/A	N/A	Exceeded	Exceeded	Exceeded

**FY 17 Highlights:** During FY 2017, the agency saved consumers over twelve times the amount of resources devoted to the consumer protection program, or \$1.29 billion. This is largely attributable to the consumer savings from the Western Union, IWorks, and Vemma Nutrition Company cases.

**Key Performance Goal 1.1.4:** The amount of money the FTC returned to consumers and forwarded to the U.S. Treasury.

This goal tracks the FTC’s effectiveness in returning money to consumers who were defrauded or forwarding money to the U.S. Treasury (e.g., if redress is impracticable, or if funds were paid as a civil penalty). (Numbers shown in millions.)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	N/A	Baseline	\$60.0	\$60.0	\$60.0
<b>Actual</b>	N/A	\$66.9	\$76.2	\$57.6	\$366.0
<b>Status</b>	N/A	N/A	Exceeded	Not met	Exceeded

**FY 17 Highlights:** In FY 2017, the FTC returned \$358.9 million to consumers and forwarded \$7.0 million to the U.S. Treasury. The FTC returned money to consumers in dozens of cases, including Herbalife, AT&T, Tax Club, and DeVry. The money returned to the U.S. Treasury included civil penalties obtained in settlements with InMobi Pte Ltd., Aaron Michael Jones, and GC Services Limited Partnership. In addition, in FY 2017, FTC orders in the Volkswagen, Amazon, and NetSpend matters required defendants to self-administer refund programs worth more than \$11 billion in refunds to consumers.

### Other Indicators

**Indicator 1.1.IND.1:** Complaints collected and entered into the Consumer Sentinel Network (CSN) database.

This indicator ensures that the agency assimilates a large number of consumer complaints, including complaints about Do Not Call violations. The agency will receive these complaints from a variety of sources, including direct consumer complaints to the FTC and complaints received by the FTC’s partners. In this manner, the FTC will collect robust information to inform its law enforcement efforts. (Numbers are in millions)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Actual</b>	5.7	5.6	7.1	8.4	9.7

**FY 17 Highlights:** During FY 2017, the FTC approached various entities such as other federal agencies, state attorneys general, non-profit organizations, and technology companies as potential data contributors to CSN, which would add tens of thousands of consumer complaints each year.

**Indicator 1.1.IND.2:** The percentage of redress cases in which the FTC distributes redress dollars designated for distribution to consumers within 6 months.

This indicator will ensure that the FTC returns redress dollars to injured consumers as quickly as possible. Dollars are considered “designated for distribution” when the FTC is in receipt of all funds, legal issues are resolved, and a useable claimant list is ready.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Actual</b>	94.7%	100%	88.2%	100%	95.5%

The FTC stops unfair and deceptive business practices by investigating and bringing law enforcement cases against companies that break the law. After a settlement or judgment, the FTC collects money, and when possible, returns that money to the consumers and businesses that were harmed by the illegal business practices. For example, the FTC mailed more than 347,000 refund checks worth nearly \$200 million to consumers in connection with the FTC’s Herbalife lawsuit. The stipulated final order that also required Herbalife to change its business structure was approved by the Commission in July 2016, and checks were mailed in January 2017.

**Objective 1.2: Provide the public with knowledge and tools to prevent harm to consumers.**

**FY 2017 Strategic Objective Progress Update**

**Progress Made**

The FTC focuses consumer and business education efforts on areas where deception, unfair practices, and information gaps cause the greatest injury. For example, as part of the agency’s continued outreach efforts to help consumers avoid scams, the agency focused on frauds targeting military personnel and veterans. The FTC launched [ftc.gov/Militarytaskforce](http://ftc.gov/Militarytaskforce), a new web page highlighting the work of the agency’s new Military Task Force, which is aimed at identifying the needs of military consumers and developing initiatives to empower service members, veterans, and their families, including through law enforcement actions. The FTC also hosted two workshops in coordination with the military community.

To reach small business owners, the FTC launched a new website, [ftc.gov/smallbusiness](http://ftc.gov/smallbusiness), with information to help small business avoid scams and protect their systems and customer data from threats. The site, which includes a new Small Business Computer Security Basics guide, also has information on other cyber threats such as ransomware and phishing schemes. The FTC also kicked off a new “Engage, Connect, and Protect” Initiative, launching a nationwide dialogue on cybersecurity with small businesses. The FTC held three roundtable events bringing together agency staff, the SBA and other federal partners, industry associations, and the small business community. The comments and feedback generated by the roundtables will be used to help the FTC and its partners provide additional education and guidance for small business owners on cybersecurity issues.

As part of its ongoing efforts to help businesses ensure they are taking reasonable steps to protect and secure consumer data, the FTC published a series of blog posts using hy-

pothetical examples based on lessons from closed investigations, FTC law enforcement actions, and questions from businesses. These new posts build on the FTC’s Start with Security guide for businesses.

### Challenges or Barriers

The FTC continues to encounter challenges meeting the demand for educational materials available in print. We mitigated these issues through judicious funding, publication revisions, and streamlining the catalog of printed materials.

<b>Performance Goal 1.2.1: Rate of consumer satisfaction with FTC consumer education websites</b>					
This goal ensures that the agency’s consumer education websites are effective and helpful for consumers. Satisfaction results are measured by the Average Citizen Satisfaction rate as published in the E-Government Satisfaction Index.					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Target</b>	73.0	73.0	73.0	73.0	73.0
<b>Actual</b>	80.0	79.0	Data Not Available	76.0	77.0
<b>Status</b>	Exceeded	Exceeded		Exceeded	Exceeded
<b>FY 17 Highlights:</b> In FY 2017, the FTC evaluated Bulkorder.ftc.gov and Consumer.ftc.gov to determine the rate of customer satisfaction with FTC consumer education websites. The combined rate of customer satisfaction for bulkorder.ftc.gov and consumer.ftc.gov was 77. The average citizen satisfaction score for participating federal government websites was 73.					



**Key Performance Goal 1.2.2:** Number of federal, state, local and international, and private partnerships to maximize the reach of consumer and business education campaigns.

This goal ensures that the FTC maximizes its reach to consumers and businesses by partnering with other groups and providing free bulk quantities of education materials via an online order system. These other groups often distribute the education materials directly to their constituents. The performance goal therefore helps determine the extent to which the FTC's education tools reach consumers.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	12,300	11,250	11,500	11,500	12,500
<b>Actual</b>	11,236	12,205	16,321	14,509	12,944
<b>Status</b>	Not Met	Exceeded	Exceeded	Exceeded	Exceeded

**FY 17 Highlights:** The FTC exceeded the number of unique partners ordering consumer and business education materials by conducting outreach to partner organizations. This targeted outreach included promoting publications to groups serving consumers in rural communities, military service members, and Spanish-speaking audiences. The FTC also leveraged cost-effective outlets, such as social media, and promoted [bulkorder.ftc.gov](http://bulkorder.ftc.gov) through [consumer.ftc.gov](http://consumer.ftc.gov), which had almost 30 million visits in FY 2017. In FY 2017, 22% of partner organizations were repeat customers and placed more than one order. In total, the FTC fulfilled 20,537 orders for printed materials.

**Performance Goal 1.2.3:** Number of workshops and conferences the FTC convened that address consumer protection problems.

This goal ensures that enforcement and education efforts are augmented by encouraging discussions among all interested parties, through careful study of novel or challenging consumer protection issues.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	8	12	12	10	10
<b>Actual</b>	12	10	17	12	19
<b>Status</b>	Exceeded	Not Met	Exceeded	Exceeded	Exceeded

**FY 17 Highlights:** In FY 2017, the FTC convened or co-sponsored 19 workshops and conferences that addressed consumer protection problems. These events brought together approximately 7,200 participants.

<b>Performance Goal 1.2.4:</b> Number of consumer protection reports the FTC released.					
This goal ensures that the FTC releases a variety of informative reports to the public that help promote the understanding and awareness of consumer protection issues.					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	N/A	10	10	8	6
<b>Actual</b>	12	6	6	8	10
<b>Status</b>	N/A	Not Met	Not Met	Met	Exceeded
<b>FY 17 Highlights:</b> In FY 2017, the FTC published ten consumer protection-related reports in the areas of cigarettes, smokeless tobacco, homeopathic medicine and advertising, cross-device tracking, “sharing” economy issues, email authentication, and the importance of testing disclosures. The agency published two annual reports – the Do-Not-Call Registry and the Consumer Sentinel Network Data Book.					

### Other Indicators

<b>Indicator 1.2.IND.1:</b> Consumer protection messages accessed in print.					
The indicator helps ensure that the agency is engaging in a sufficient amount of educational activity. (Numbers are in millions.)					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Actual</b>	11.8	13.7	17.4	15.3	14.5
<b>FY 17 Highlights:</b> The FTC distributed 14.5 million publications in FY 2017, including 3.1 million publications about identity theft, such as: <ul style="list-style-type: none"> <li>• 1 million copies of Identity Theft: What to Know, What to Do</li> <li>• 500,000 copies of Identity Theft: A Recovery Plan</li> <li>• 460,000 copies of Data Breaches - What To Know, What To Do</li> <li>• 425,000 copies of Child Identity Theft.</li> </ul> The agency also distributed 2.1 million Pass It On publications, targeting older consumers, and Spanish-language publications accounted for 1.4 million of the FY 2017 total.					

<b>Indicator 1.2.IND.2:</b> Social media subscribers and followers					
The indicator helps gauge the FTC’s online presence, which enables the agency to reach more consumers with its educational messages.					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Actual</b>	152,548	263,568	366,876	398,792	481,064
<b>FY 17 Highlights:</b> Total social media and email subscribers increased by 20.6% in FY 2017, compared to an 8.7% increase between FY 2015 and FY 2016.					

### **Objective 1.3: Collaborate with domestic and international partners to enhance consumer protection.**

#### **FY 2017 Strategic Objective Progress Update**

##### **Progress Made**

In the enforcement area, the FTC worked closely with its federal, state, and local and international partners on numerous investigations, exceeding the targets for collaboration with both domestic and international counterparts to enhance consumer protection. The agency's collaborative domestic efforts included the Western Union case – an enforcement action the FTC brought with Department of Justice and shared and received information from the U.S. Postal Inspection Service and state Attorney General Offices. The FTC also worked closely with its federal, state and local partners on numerous investigations, including the Joint Dietary Supplement Sweep, the Joint Robocall Initiative, and the Volkswagen case that the FTC brought with Department of Justice, Environmental Protection Agency, and the California Attorney General.

The FTC also worked closely with international partners on numerous investigations and used its information sharing and investigative assistance authority under the U.S. SAFE WEB Act and other cooperation tools in a number of investigations, including several technical support scams. For example, the FTC worked with both domestic (state Attorney General Offices) and foreign partners as part of Operation TechTrap, a crackdown on tech support scams that included enforcement actions by authorities in India as well as outreach activities by consumer protection authorities in Australia and Canada. The FTC also organized two capacity-building workshops with Indian and foreign law enforcement to address tech support scams originating in India.

The FTC successfully collaborated with the Office of the Privacy Commissioner of Canada and the Australian Information Commissioner in investigating a massive data breach and deceptive practices related to the Canada-based adult dating website AshleyMadison.com, which had members in nearly 50 countries. The Australian and Canadian agencies contributed to the FTC's investigation and reached their own settlements with the company. The three agencies received the Chair's Grand Award for Innovation at the International Conference of Data Protection and Privacy Commissioners for this collaboration.

The agency also continued to strengthen its ties with international enforcement networks and deepen its cooperation relationships with bilateral enforcement partners. It strengthened enforcement cooperation on cross-border fraud matters by signing a memorandum of understanding with the Royal Canadian Mounted Police (RCMP) to facilitate increased enforcement cooperation on cross-border fraud.

Carrying out its enforcement role in two cross-border data transfer frameworks, the FTC obtained three settlement orders with companies that allegedly misrepresented their participation in the APEC Cross-Border Privacy Rules System (APEC CBPR) and three orders with companies that allegedly misrepresented their participation in the

EU-U.S. Privacy Shield Framework. Both systems facilitate data transfers while protecting the privacy of consumer data. The FTC also affirmed its commitment to enforce a third data transfer mechanism, the Swiss-U.S. Privacy Shield Framework.

The agency also continued to strengthen its ties with international enforcement networks – such as the International Consumer Protection and Enforcement Network (ICPEN), the Unsolicited Communications Enforcement Network (UCENet, formerly the London Action Plan), the International Mass Marketing Fraud Working Working Group (IMMFWG), and the Global Privacy Enforcement Network (GPEN). This past year, the FTC worked in all of these networks to expand the number of participating authorities and strengthen the use of data (including consumer complaint data) and technology to support the networks’ cross-border enforcement cooperation activities. For example, the FTC worked with more than 60 other countries that are part of ICPEN to launch a new website that helps consumers to find information more easily on how to avoid scams and file complaints in cross-border disputes and also provides network members with new tools to share intelligence securely on emerging fraudulent, deceptive, and unfair commercial practices. The FTC also helped to organize the first GPEN enforcement workshop, which focused on building investigative and enforcement skills for privacy regulators.

In the policy and technical assistance area, the agency engaged extensively on consumer policy issues in international organizations such as the Organisation for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD). The FTC continued its work to protect consumer privacy in cross-border data transfer systems, helping to expand the APEC CBPR and implement the EU-U.S. Privacy Shield. The FTC worked with the Department of Commerce to implement the Privacy Shield, which became operational in August 2016, and participated with EU and U.S. officials in the first annual review of the framework. The FTC also continued to deliver training to new and developing agencies through its technical assistance programming. In particular, the FTC built on its prior work in India to promote enforcement against Indian call center fraud through information sharing, enhanced consumer education, and the development of partnerships with technology companies and payment providers.

In the consumer protection advocacy area, the FTC submitted comments to the Federal Communications Commission (FCC) on: the FCC proposal to expand provider-based call-blocking authority in order to eliminate unlawful robocalls; the FCC proposal to restore FTC jurisdiction related to broadband Internet access services; and the FCC’s proposed rulemaking to protect consumers from unauthorized carrier changes and related unauthorized charges. The FTC also filed comments to the National Highway Traffic Safety Administration (NHTSA) regarding its request for comments on proposed industry guidance for highly automated vehicles. The FTC submitted comments to the Colorado Supreme Court on amending Colorado’s rules governing professional conduct to clarify that attorneys may advise or supervise law enforcement officers and other engaged in lawful undercover activities. In addition, staff filed comments regard-

ing a National Telecommunications and Information Administration (NTIA) draft template designed to be used by industry participants to communicate their policies on disclosing security vulnerabilities. The FTC also submitted public comments to a working group convened by NTIA that is developing guidance about ways for Internet of Things (IoT) device manufacturers to better inform consumers about security updates related to the devices.

### Challenges or Barriers

Promoting international cooperation is a long-term endeavor that can be affected by events beyond the agency’s control, such as foreign court proceedings and political changes that result in changes in foreign counterpart agencies’ policies and staff and restrict best practices and information exchanges. Political turmoil in certain regions can also make cooperation on particular issues more difficult.

### Performance Gaps

Although FTC shared evidence in 359 matters, the FTC fell short in meeting its target for performance goal 1.3.1 “Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection.” BCP continues to place an emphasis on leveraging resources with domestic partners and encourages staff to work with other U.S. federal, state, and local government agencies to further the goal of protecting consumers from fraud.

<b>Performance Goal 1.3.1:</b> Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection.					
This goal ensures the FTC is leveraging resources with domestic partners on consumer protection issues to further the goal of protecting consumers from fraud.					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Target</b>	N/A	Baseline	375	375	375
<b>Actual</b>	N/A	424	435	387	359
<b>Status</b>	N/A	N/A	Exceeded	Exceeded	Not Met
<b>FY 17 Highlights:</b> In FY 2017, BCP shared information with other U.S. federal, state, and local government agencies in 117 investigations or cases. In FY 2017, BCP received information from other U.S. federal, state, and local government agencies in 242 investigations or cases.					

**Key Performance Goal 1.3.2:** Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters.

This goal ensures that the agency is leveraging resources with foreign agencies and organizations to increase the effectiveness of the FTC's enforcement actions.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	30	40	40	40	40
<b>Actual</b>	61	45	58	53	50
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded

**FY 17 Highlights:** In FY 2017, the FTC cooperated in 50 instances on consumer protection and privacy matters to obtain or share evidence or engage in other enforcement cooperation in investigations, cases, and enforcement-related projects. Foreign authorities assisted the FTC in activities such as locating investigative targets and defendants, sharing consumer complaints, obtaining corporate records, and providing other investigative information. The FTC also provided assistance to numerous foreign authorities through various mechanisms using its authority under the U.S. SAFE WEB Act and other cooperation tools to share information and provide investigative assistance using compulsory process. The FTC also cooperated on enforcement matters with international enforcement organizations such as the International Consumer Protection and Enforcement Network, the Global Privacy Enforcement Network, the Unsolicited Communications Enforcement Network, and the International Mass Marketing Fraud Working Group.

**Performance Goal 1.3.3:** Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC.

This goal tracks policy advice and/or technical assistance the FTC provides to foreign consumer and privacy agencies through seminars, substantive consultations, written submissions, comments, and visits by foreign officials.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	N/A	60	60	60	60
<b>Actual</b>	N/A	60	76	66	66
<b>Status</b>	N/A	Met	Exceeded	Exceeded	Exceeded

**FY 17 Highlights:** In FY 2017, the FTC provided policy input to foreign consumer protection and privacy agencies in 66 instances. This included policy advice and technical input on a wide range of consumer and privacy policy issues delivered through seminars, substantive consultations, oral presentations, and written comments. Of the inputs, 12 represent technical assistance missions to new and developing consumer protection and privacy agencies, and 3 represent International Fellows from Ukraine, Pakistan, and South Africa, who worked alongside FTC staff in support of the consumer protection mission.

**Performance Goal 1.3.4:** Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.

This goal will evaluate the success of consumer protection advocacies filed by the FTC.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	55.0%	55.0%	55.0%	55.0%	60.0%
<b>Actual</b>	85.7%	81.8%	100%	85.7%	*
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	*

**FY 16\* Highlights:** In FY 2016, 6 of 7 consumer protection advocacy matters filed with federal and state legislatures, agencies, or courts were successful in whole or in part.

\*Results for this measure are reported a year behind. FY 2017 data will be available in FY 2018

### Other Indicators

**Indicator 1.3.IND.1:** Advocacy comments and amicus briefs on consumer protection issues filed with entities including federal and state legislatures, agencies, or courts.

The indicator is a measure of the outputs of the agency’s advocacy activities relating to consumer protection matters. This indicator includes both advocacy comments and amicus briefs.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Actual</b>	12	10	9	8	7

**FY 17 Highlights:** In FY 2017, staff filed 7 consumer protection advocacy comments in state and federal rulemaking matters.

**Indicator 1.3.IND.2:** Percentage of survey respondents finding the FTC’s advocacy comments to be “useful.”

The indicator helps assess the effect of consumer protection advocacy comments based on survey respondents’ feedback

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Actual</b>	100%	100%	100%	75.0%	100%

**FY 17 Highlights:** Staff surveyed the seven recipients of consumer protection advocacy comments, three responded. All three responses found the FTC’s advocacy work “useful.”

## **STRATEGIC GOAL 2: MAINTAIN COMPETITION**

The FTC's efforts to maintain competition focus on preventing anticompetitive mergers and other anticompetitive business practices in the marketplace. This work is critical to protect and strengthen free and open markets – the cornerstone of a vibrant economy. Vigorous competition results in lower prices, higher quality goods and services, and innovation leading to beneficial new products and services. By enforcing the antitrust laws, the FTC helps to ensure that consumers benefit from competition.

In addition to enforcement, the FTC also undertakes competition policy research and development activities to improve agency decision-making in areas such as law enforcement and competition advocacy. The FTC also promotes competition through advocacy and education initiatives. These initiatives deter anticompetitive mergers and business practices and reduce business' costs of compliance with antitrust laws. Advocacy encourages governmental actors at the federal, state, and local levels to evaluate the effects of their policies on competition and ensure such policies promote consumer benefit. In addition, the FTC's international program supports the FTC's competition mission through its engagement with competition agencies in other countries, both directly and through international networks.

### **Objective 2.1: Identify and take actions to address anticompetitive mergers and practices that harm consumers.**

#### **FY 2017 Strategic Objective Progress Update**

##### **Progress Made**

In FY 2017, the agency concluded 27 matters in which it took action to maintain competition, focusing on markets with the greatest impact on American consumers. The fiscal year began with a significant development for the agency's enforcement work in the health care sector, with the conclusion of two health care provider matters that saw different appellate courts overturn district court rulings denying the Commission's requests for preliminary injunction. These matters, both of which resulted in the parties abandoning their proposed transactions, validated the Commission's approach to geographic and product market definition, undergirding future enforcement efforts in important hospital markets. The Commission also authorized a preliminary injunction action in to prevent the merger of rival online fantasy sports operators, DraftKings and FanDuel. The parties abandoned their proposed merger as a result of the Commission's challenge.

As in past years, the FTC focused on its greatest asset: its staff. First, FTC staff has continued to work diligently to identify and communicate best practices and update procedures to maximize efficiency in our work. The agency also continued its emphasis on employee-led staff development through its Training Council and mentoring programs. This year, the Bureau of Competition renewed its focus on leveraging our experiences with that of our sister antitrust enforcement agency, the Department of Justice's Antitrust Division through shared programs. These programs are cost-neutral, improve knowledge transfer on important antitrust issues, and enhance information sharing



between agencies with similar missions, thereby supporting the long-term success of the competition mission.

The agency continued to devote resources to identifying opportunities to streamline its investigatory processes and minimize the burden imposed on legitimate business practices. This year, staff devoted significant time to identifying litigation support tools that will enhance staff efficiency and effectiveness in investigations and litigation.

### **Challenges or Barriers**

Resource constraints remain a significant challenge. Development and support of the technological tools necessary to improve processes and streamline operations require significant financial and staff resources. The rising costs of critical expert witness resources and the ongoing challenge of how to efficiently manage document productions of increasing size are two of the foremost barriers. Likewise, increases in case load continue to put pressure on staffing resources.

The FTC also faces an increasingly challenging landscape in attempting to maintain competition as state and local communities adjust to recent Supreme Court rulings in *Federal Trade Commission v. Phoebe Putney Health System, Inc.*, and in *North Carolina State Board of Dental Examiners v. Federal Trade Commission*. The challenge requires the FTC to utilize the full range of policy and advocacy tools at its disposal to promote competition in healthcare markets.

### **Performance Gaps**

In fiscal year 2017, the FTC failed to meet the target established for performance goal 2.1.5, a measure which assesses estimated consumer savings from the nonmerger program as a percentage of the program's costs. There are two primary reasons for the missed target. First, in fiscal year 2017, the FTC substantially raised the target for this measure to attempt to account for the landmark Cephalon, Inc. stipulated order from FY 2015, the record settlement of which had the impact of making the previous target too attainable. Second, this year saw significant litigation in conduct matters, which drove an increase in costs for the program, resulting in a lowering of the savings/costs ratio.

## Performance Goals

 **Key Performance Goal 2.1.1:** Percentage of actions taken to maintain competition in substantial merger and nonmerger investigations

This goal encourages the agency to use its resources wisely in bringing appropriate investigations and in crafting and pursuing effective resolutions, whether through litigation or settlement. Success on this performance measure indicates that the FTC is (i) effectively screening HSR reported transactions and identifying other mergers and conduct practices that raise significant antitrust concerns warranting further investigation and possible enforcement action while (ii) allowing procompetitive and competitive neutral mergers and conduct to consumers to proceed unimpeded.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	40%-60%	40%-60%	40%-60%	40%-60%	40%-60%
<b>Actual</b>	42.2%	57.1%	57.7%	54.6%	49.1%
<b>Status</b>	Met	Met	Met	Met	Met

**FY 17 Highlights:** The agency took action to maintain competition in 27 of the 55 substantial merger and nonmerger investigations concluded in FY 2017. These 27 actions include 13 consent orders, 1 merger transaction that was withdrawn after the Commission authorized a preliminary injunction (*Draft Kings/FanDuel*), 2 matters in which the parties abandoned their transaction after the Commission successfully obtained a preliminary injunction on appeal in federal circuit court (*Pinnacle/Hershey* and *Advocate/NorthShore*), and 6 cases in which the parties abandoned their transaction due to antitrust concerns raised during the investigation.

The agency concluded 22 merger actions in second request or compulsory process investigations in a broad array of industries such as pharmaceuticals and medical devices, healthcare providers, industrial goods and chemicals, consumer goods and services, retail pharmacies, technology, and energy.

The FTC also concluded five actions against anticompetitive conduct that the agency had reason to believe harmed consumers or competition in industries such as pharmaceuticals, healthcare providers, and professional associations and services.


Of the 28 substantial investigations that were closed without an action, 13 involved nonmerger matters and 15 were merger matters.

**Performance Goal 2.1.2:** Consumer savings through merger actions taken to maintain competition.

This goal ensures that the agency challenges the mergers that cause the greatest consumer injury by targeting the agency’s resources effectively and efficiently. Performance Goals 2.1.2 and 2.1.4 assess the consumer benefits attributable to the FTC’s enforcement actions. (Numbers shown in millions, except where noted.)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	\$500.0	\$900.0	\$900.0	\$900.0	\$2.1 billion
<b>Actual</b>	\$564.2	\$1 billion	\$2.4 billion	\$2.6 billion	\$2.6 billion
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded

**FY 17 Highlights:** The FTC saved consumers on average an estimated \$2.6 billion per year through its merger actions to maintain competition in the past five years. This year, merger actions in the pharmaceutical, retail, healthcare, and technology sectors resulted in considerable consumer savings allowing the agency to continue to meet the target for this performance goal. Significant consumer savings from merger actions in FY 2015 will continue to impact this performance goal through FY 2019, and targets have been adjusted accordingly.

 **Key Performance Goal 2.1.3:** Total consumer savings compared to the amount of FTC resources allocated to the merger program.

This goal ensures that the agency challenges the mergers that cause the greatest consumer injury by targeting the agency’s resources effectively and efficiently. Performance Goals 2.1.3 and 2.1.5 serve as indicators of the competition mission’s return on investment for consumers.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	1,300.0%	1,300.0%	2,600.0%	2,600.0%	4,200.0%
<b>Actual</b>	1,382.2%	2,505.2%	5,131.6%	4,640.3%	5,563.0%
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded


**FY 17 Highlights:** In FY 2017, the FTC saved consumers more than 55 times the amount of resources devoted to the merger program. As mentioned in Performance Goal 2.1.2, merger actions in the pharmaceutical, retail, healthcare, and technology sectors resulted in considerable consumer savings, which, coupled with relatively consistent resource levels, allowed the agency to continue to meet the target for this performance goal. Significant consumer savings from merger actions in FY 2015 will continue to impact this performance goal through FY 2019, and targets have been adjusted accordingly.

**Performance Goal 2.1.4:** Consumer savings through nonmerger actions taken to maintain competition.

This goal ensures that the agency challenges conduct that causes the greatest consumer injury by targeting the agency’s resources effectively and efficiently. Performance Goals 2.1.2 and 2.1.4 assess the consumer benefits attributable to the FTC’s enforcement actions. (Numbers are shown in millions, except where noted.)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	\$450.0	\$440.0	\$80.0	\$80.0	\$900.0
<b>Actual</b>	\$449.8	\$419.0	\$1.0billion	\$1.0billion	\$1.1billion
<b>Status</b>	Not Met	Not Met	Exceeded	Exceeded	Exceeded

**FY 17 Highlights:** From FY 2013 to FY 2017, the FTC saved consumers on average an estimated \$1.1 billion per year through nonmerger actions taken to maintain competition. This year, nonmerger actions in the pharmaceutical industry resulted in considerable consumer savings, allowing the agency to continue to meet the target for this performance goal. Significant consumer savings from the historic Cephalon investigation in FY 2015 will continue to impact this performance goal through FY 2019, and targets have been adjusted accordingly.

 **Key Performance Goal 2.1.5:** Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.

This goal ensures that the agency challenges conduct that causes the greatest consumer injury by targeting the agency’s resources effectively and efficiently. Performance Goals 2.1.3 and 2.1.5 serve as indicators of the competition mission’s return on investment for consumers.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	2,000.0%	1,850.0%	400.0%	400.0%	4,000.0%
<b>Actual</b>	2,296.0%	2,028.3%	4,863.3%	5,228.6%	3,959.3%
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	Not Met

**FY 17 Highlights:** In FY 2017, the FTC saved consumers more than 39 times the amount of resources it devoted to the nonmerger enforcement program. As mentioned under Performance Goal 2.1.4, nonmerger actions in the pharmaceutical industry resulted in considerable consumer savings this year. Significant consumer savings from the historic Cephalon investigation in FY 2015 will continue to impact this performance goal through FY 2019, and targets have been adjusted accordingly.

## Other Indicators

<b>Indicator 2.1.IND.1:</b> Average total sales for the current year plus the previous four fiscal years in the affected markets in which the Commission took merger enforcement action.					
This indicator highlights the effective and efficient use of FTC resources by measuring the size of the relevant product markets in which the agency took enforcement action. At the same time, the FTC acknowledges the important educational and deterrent roles that competition enforcement actions in smaller markets play in maintaining and promoting competition in larger markets.					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Actual</b>	\$21.0 billion	\$18.6 billion	\$63.3 billion	\$69.8 billion	\$88.3 billion
<b>FY 17 Highlights:</b> In FY 2017, the FTC took action to challenge anticompetitive mergers and acquisitions in markets totaling more than \$88.3 billion in revenue, demonstrating that the FTC directs its resources to address antitrust violations that have the greatest impact on consumers.					

<b>Indicator 2.1.IND.2:</b> Average total sales for the current year plus the previous four fiscal years in the affected markets in which the Commission took anticompetitive market enforcement action.					
This indicator highlights the effective and efficient use of FTC resources by measuring the size of the relevant product markets in which the agency took enforcement action. At the same time, the FTC acknowledges the important educational and deterrent roles that competition enforcement actions in smaller markets play in maintaining and promoting competition in larger markets.					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Actual</b>	\$13.1 billion	\$10.9 billion	\$76.1 billion	\$69.8 billion	\$77.1 billion
<b>FY 17 Highlights:</b> In FY 2017, the FTC took action to challenge anticompetitive business practices in markets totaling more than \$77 billion in revenue, demonstrating that the FTC directs its resources to address antitrust violations that have the greatest impact on consumers.					

## Objective 2.2: Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers.

### FY 2017 Strategic Objective Progress Update

#### Progress Made

The FTC continued to organize public conferences to advance the agency's understanding of economic developments and emerging business practices and inform antitrust policy through consideration of diverse perspectives. In FY 2017, the agency hosted three public workshops in broad areas of competition policy, including one event in connection with the Economic Liberty Task Force related to occupational license portability and a second event that examined competition, innovation, and consumer protec-

tion issues raised by hearing health and technology, especially hearing aids. The FTC also held its Ninth Annual Microeconomics Conference.

The FTC continued to respond to requests for comment from local, state, and federal entities to provide policymakers with a framework to analyze the potential competitive implications of pending governmental actions that may have a major impact on consumers. In FY 2017, staff filed 16 advocacy comments to federal and state regulators, individual legislators, and other organizations. These advocacy comments addressed a variety of industries and competition issues, including telehealth, occupational licensing and scope of practice, energy sector transactions, certificates of need for healthcare entities, and state granted exemptions to the antitrust laws, such as certificates of public advantage. Staff also submitted amici briefs to the U.S. Supreme Court (*SmithKline Beecham Corp. v. King Drug Co. of Florence*, *Visa Inc. v. Sam Osborn* and *Visa Inc. v. Mary Stoumbos*) and to the U.S. Court of Appeals for the First Circuit (*Amphastar Pharmaceuticals Inc. v. Momenta Pharmaceuticals, Inc.*), and Third Circuit (*Mylan Pharmaceuticals Inc. v. Warner Chilcott PLC*).

The agency also continued to progress in its efforts to advance the public understanding of its decisions through the publication of analyses to aid public comment, speaking engagements, and the “Competition Matters” blog, which covers an array of competition policy and practice issues. In addition, the agency issued several reports dealing with competition issues, including: (1) [\*Patent Assertion Entity Activity: An FTC Study\*](#), which examined non-public information and data covering the period 2009 to 2014 from 22 PAEs, 327 PAE affiliates, and more than 2100 holding entities (those entities that did not assert patents) obtained through compulsory process orders (subpoenas) using the [\*agency’s authority under Section 6\(b\) of the FTC Act\*](#); and (2) [\*The “Sharing” Economy: Issues Facing Platforms, Participants, and Regulators\*](#), which details how buyers and sellers are increasingly using internet-connected devices – smartphones and tablets – to access a matchmaking platform that allows them to search for new services, secure a price point, and complete a transaction.

### **Challenges or barriers**

The FTC will continue to identify opportunities to advance the public’s and its own understanding of competition issues in a dynamic and increasingly complex marketplace, particularly in the areas of healthcare, technology, and intellectual property. The agency must continue to use its limited resources to expand its advocacy and outreach efforts despite increased demands from its resource-intensive enforcement efforts. The agency must also expand its use of technology and public interaction to better promote the consumer understanding of the benefits of competition.

### **Performance Gaps**

The agency missed its target on Performance Goal 2.2.1, which measures the number of competition workshops and other events held by the agency. This performance gap will be short lived as the FTC held several workshops in the first quarter of FY 2018, putting the agency on pace to exceed our target in FY 2018.

## Performance Goals

**Performance Goal 2.2.1:** Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.

This goal encourages the FTC to use non-investigative tools such as workshops, seminars, conferences, and hearings on significant competition-related issues to benefit consumers.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	4	4	4	4	4
<b>Actual</b>	4	4	4	3	3
<b>Status</b>	Met	Met	Met	Not Met	Not Met

**FY 17 Highlights:** In FY 2017, the FTC held three competition and economics-related conferences and workshops:

- In July 2017, as part of its renewed focus on occupational licensing issues, the FTC’s Economic Liberty Task Force held the first in a series of roundtable events on reducing barriers to occupational licensing through enhanced intra-state portability.
- In April 2017, the agency also held a public workshop entitled, “Now Hear This,” bringing together researchers, healthcare providers, and consumer and industry representatives, to examine the competition, innovation, and consumer protection issues raised in the hearing health services and technology industries.
- The FTC’s Ninth Annual Microeconomics Conference, held in November 2016, brought together scholars and leaders from universities throughout the world, other government agencies, and other organizations, to discuss antitrust, consumer protection, and policy issues that FTC economists encounter in their work.

**Performance Goal 2.2.2:** Number of reports and studies the FTC issued on key competition-related topics.

This goal will track research, reports, and studies that enhance consumer and business knowledge of competition issues.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	8	8	8	8	8
<b>Actual</b>	14	11	9	9	11
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded

**FY 17 Highlights:** In FY 2017, the FTC published reports, studies, and working papers on several important topics including: patent assertion entities, and the Sharing Economy, as well as annual reports on agreements filed with the FTC under the Medicare Prescription Drug, Improvement, and Modernization Act and on market concentration in the ethanol industry.

In February 2017, the Commission issued a report following its multi-year review of merger remedies, which validated the Commission’s approach to preserving competition when companies merge.

The Commission, with the Department of Justice Antitrust Division, updated their International Antitrust and Intellectual Property Guidelines. The two agencies also issued joint guidance for businesses on the application of antitrust principles to employee hiring and compensation, and the post-hurricane relief efforts.

**Performance Goal 2.2.3:** Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.

This goal will evaluate the success of competition advocacies filed by the FTC.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	55.0%	55.0%	55.0%	55.0%	60.0%
<b>Actual</b>	75.0%	93.3%	80.0%	64.7%	*
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	*

**FY 16\* Highlights:** In FY 2016, 11 of 17 competition advocacy matters filed with federal and state legislatures, agencies or courts were successful, in whole or in part.

\*Results for this measure are reported a year behind. FY 2017 data will be available in FY 2018



## Other Indicators

**Indicator 2.2.IND.1:** Advocacy comments and amicus briefs on competition issues filed with entities including federal and state legislatures, agencies, or courts.

The indicator is a measure of the outputs of the agency’s advocacy activities relating to competition matters. This indicator includes both advocacy comments and amicus briefs.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Actual</b>	19	16	17	26	16

**FY 17 Highlights:** In FY 2017, staff filed 16 competition advocacy comments, including 12 to federal and state regulators, individual legislators, and other organizations, and 4 amicus briefs.

**Indicator 2.2.IND.2:** Percentage of survey respondents finding the FTC’s advocacy comments to be “useful.”

The indicator helps assess the effect of competition advocacy comments based on survey respondents’ feedback.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Actual</b>	100%	100%	100%	83.3%	100%

**FY 17 Highlights:** Staff surveyed the recipients of competition advocacy comments this fiscal year and had five responses. All five responses found the FTC’s advocacy work “useful.”

## Objective 2.3: Collaborate with domestic and international partners to preserve and promote competition.

### FY 2017 Strategic Objective Progress Update

#### Progress Made

To promote and protect free and vigorous competition, the FTC continues to build and strengthen relationships with competition agencies internationally and to work through multilateral fora and with domestic partners to promote convergence toward sound competition enforcement and policy. Progress in FY 2017 included:

- Improving Case Cooperation and Promoting Convergence:** The U.S. antitrust agencies engaged with the European Commission on policy issues of common interest and shared merger enforcement techniques and experience with staff from the Canadian Competition Bureau and COFECE, Mexico’s antitrust commission. The FTC continued to develop tools, facilitate case cooperation, and engage more frequently in deeper cooperation and coordination on individual matters with foreign counterparts. For example, the FTC cooperated in its review of the Abbott/St. Jude merger with competition agencies in Brazil, Canada, China, the European Union, Israel, Korea, and South Africa, and reached consistent outcomes. The FTC also hosts “International Fellows” from foreign competition agencies who work directly with FTC staff to gain first-hand appreciation of the practices and approaches that the FTC uses in its enforcement, which they then bring back to their

agencies. The FTC has hosted 75 competition officials from 29 jurisdictions since the program's inception, in 2007.


- **International Competition Network (ICN):** The agency: serves as a Steering Group member; co-chairs the Merger Working Group, leading projects to develop recommended practices for merger notification and analysis, as well as practical guidance on merger investigative techniques; hosted the ICN's 2017 Merger Workshop; leads the ICN's implementation efforts, continuing to promote implementation of the ICN's Guidance on Investigative Process, which provides consensus principles and practices of procedural fairness in antitrust investigations and its work on merger notification and review procedures; and leads the ICN project to produce online training materials on competition law and practice.
- **Multilateral Fora:** The agency continued its active participation and leadership in the OECD, APEC, UNCTAD, and Inter-American Competition Alliance, in all of which it promotes cooperation and convergence. For example, the agency played a key role in developing the OECD Competition Committee's long-term themes on competition in the digital economy and market studies.
- **Relations with Newer Agencies:** Through dialogue with the Chinese antitrust agencies and government and consultation with U.S. stakeholders and other U.S. agencies, the FTC addressed issues posed by enforcement of the Chinese Anti-Monopoly Law (AML). This year, the FTC's technical assistance program placed resident advisors in the competition agencies of India, the Philippines, and Ukraine and provided hands-on workshops on investigational skills. The resident advisors' work focused on the application of economic analysis in investigations and merger notification procedures. The FTC also conducted competition workshops in numerous countries, from Argentina to Vietnam, along with regional programs for Africa, Central America, Southeast Asia, and Southeast Europe. The programs were funded by the FTC, the United States Agency for International Development, the Commerce Department's Commercial Law Development Program, and the host agencies. The FTC also conducted and oversaw an APEC-sponsored series of workshops on procedural fairness.
- **Working within the U.S. government:** The agency worked with U.S. government colleagues in intergovernmental fora that address competition-related issues, for example, as members of the North Atlantic Free Trade Agreement negotiating team, the U.S. team involved in shaping G20 and G7 materials on digital economy issues, and the U.S. interagency group that addresses U.S.-China economic and trade issues.
- **Revision of the International Antitrust Guidelines:** In light of the growing importance of antitrust enforcement in a globalized economy and the antitrust agencies' increased cooperation with foreign authorities on both policy and investigative matters, the FTC and the U.S. Department of Justice revised the agencies' international guidelines to reflect updates to applicable law and current approaches to these issues. The guidelines were issued on January 13, 2017.

- **State Government Partners:** BC routinely works with states' Attorneys General in its enforcement efforts. State AGs also routinely join as co-plaintiffs in the FTC's federal court litigations.

### Challenges or Barriers

The FTC's international competition work is a long-term initiative that can be affected by events and broader interactions between the U.S. and other countries outside of its control.

### Performance Goals

<p> <b>Key Performance Goal 2.3.1:</b> Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes.</p>					
<p>This goal tracks the number of cases in which foreign antitrust authorities followed consistent analytical approaches and reached compatible outcomes as a percentage of the total number of cases in which the FTC's cooperation involved at least one substantive contact.</p>					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Target</b>	90.0%	95.0%	95.0%	95.0%	95.0%
<b>Actual</b>	100.0%	100.0%	100.0%	100.0%	96.0%
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded
<p><b>FY 17 Highlights:</b> In FY 2017, the FTC had 79 substantive contacts in 38 enforcement matters with counterpart agencies around the world, including in Australia, Austria, Belgium, Brazil, Canada, Chile, China, the European Union, Germany, Hungary, India, Ireland, Israel, Japan, Korea, Mexico, New Zealand, Singapore, South Africa, Taiwan, and the United Kingdom. Those agencies reached compatible outcomes in all but one of the cases completed during the fiscal year. While the FTC will continue to strive for 100% success, the target reflects the possibility of inconsistent outcomes, particularly as new antitrust agencies begin to assert their jurisdiction and cooperation on unilateral conduct matters expands.</p>					

**Performance Goal 2.3.2:** Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or governments, directly and through international organizations, through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, or comments, and with foreign officials when they visited the FTC.

This goal tracks policy advice and technical assistance the FTC provides to foreign competition agencies through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions, comments, or hosting of international fellows and interns.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	70	120	120	120	120
<b>Actual</b>	134	161	144	171	160
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded

**FY 17 Highlights:** In FY 2017, the FTC provided policy advice to foreign competition agencies in 111 instances through consultations, written submissions, and comments on proposed laws and guidelines. The FTC’s policy advice remains highly regarded and sought after by new and experienced competition agencies and by participants in international competition organizations and conferences. The agency also conducted 38 technical assistance missions and hosted eleven officials from foreign agencies as part of our International Fellows Program, in support of the competition mission.

### **STRATEGIC GOAL 3: ADVANCE ORGANIZATIONAL PERFORMANCE**

The FTC believes that advancing organizational performance at all levels creates a strong foundation for overall mission success. The agency's work in Strategic Goal 3 highlights ongoing efforts to advance organizational performance and thereby enhance the agency's ability to focus on protecting consumers and maintaining competition.

Goal 3 is inherently collaborative, and primarily encompasses key management areas in the FTC: human capital, infrastructure and security, information technology resources, finance and acquisition, and equality of opportunity in employment. These efforts foster leadership and accountability across the agency and establish a culture of customer service, constituent responsiveness, and effective planning, administration, and management. Employees at all levels are expected to show leadership in their areas of responsibility by exhibiting a willingness to develop and coach others, a commitment to teamwork, and a drive to find innovative solutions.

#### **Objective 3.1: Optimize resource management and infrastructure.**

##### **FY 2017 Strategic Objective Progress Update**

###### **Progress Made**

- The FTC completed a review of essential supporting activities as part of the required annual review of the Continuity of Operations (COOP) Plan. Participation in the Federal Emergency Management Agency (FEMA) annual Eagle Horizon exercise in June 2017 verified the operability and effectiveness of the COOP Plan.
- The Administrative Services Office (ASO) worked with the General Services Administration (GSA) to more effectively configure the agency's leased space in its New York and Cleveland regional offices to provide additional workspace and better serve our regional office staff.
- As part of the agency's transition to electronic recordkeeping, the Records and Filings Office (RFO) developed additional records management guidance for Bureau of Competition staff and for Contracting Officer's Representatives (CORs). Parties in FTC administrative litigation now submit virtually all legal filings through the E-filing system. In addition, nearly all public comments in FTC rulemakings and other proceedings that seek public comment are now filed electronically.
- Substantive work on acquisition policies and procedures was completed in FY 2017 to create repeatable processes, improve customer service, and ensure compliance with law and procurement regulations. The FTC completed 15 internal acquisition policies and posted them on a newly developed intranet policy page, fostering a culture of teamwork within and transparency of the acquisition function.
- In September 2017, FMO completely revised the Acquisition Policy section of the FTC's Administrative Manual. The updated policy includes current definitions, roles and responsibilities, and COR education requirements, as well as a description of the overall procurement process.

- The FTC updated its IRM Strategic Plan to cover FY 2018-2022 to align with the agency's updated Strategic Plan. The IRM Strategic Plan provides strategic direction for enhancing IT service performance and proposes initiatives to modernize IT through a large-scale migration to high-availability cloud services.
- The FTC completed the first steps toward modernizing the agency's IT environment by projecting future usage needs and designing a new communications network with greater availability and scalability, which becomes critical as FTC moves more applications and systems to cloud services.
- The FTC continues to upgrade and replace aging, end-of-support equipment and applications to increase user functionality and decrease the risk of downtime, system failures, and security vulnerabilities. In FY 2017, the FTC began projects to upgrade the on-premise Oracle environment, the Windows desktop environment, and critical infrastructure equipment, such as Windows servers and load balancers.
- The FTC awarded contracts to begin the replacement of the agency's e-Discovery support system. These contracts included the purchase and installation of a more robust legal processing platform, upgraded hardware to host the new application, and the award of a new, cloud-based legal review platform. These new tools are expected to increase productivity for the agency's litigation teams through increased availability of critical applications, increased user functionality, and faster data processing.
- FMO implemented an ERM program and documented risk related to achieving FTC's strategic goals and objectives. This helped leadership determine where to apply resources to address the highest priorities and risks. FMO will continue to support efforts in monitoring and updating risk registers to highlight the most significant risk and report to senior management for decision-making.

### **Challenges or Barriers**

- The FTC needs to improve its IT configuration management practices, particularly its documentation of baseline configurations and technical architecture, to ensure that the impact, security implications, and risks of changes to the agency's IT systems are adequately considered.
- Changes in the economy have a direct impact on our agency's ability to attract and retain its workforce. Good job markets have led staff to seek more lucrative opportunities at other higher-paying agencies or in the private sector.
- To properly understand and anticipate network and system performance issues and to quickly and adequately determine the potential causes of degraded system performance, the FTC must enhance its IT monitoring capabilities. Integration, rationalization, and configuration of existing monitoring tools must continue to provide a holistic view of the health and security of FTC IT services.
- The FTC must continue to improve its information technology planning efforts to define next steps for improving system performance and availability. While the

FTC IRM Strategic Plan provides high-level strategic direction, further planning must occur at the service and system level to determine resource and technology requirements and outline projects and tasks critical to achieve the initiatives in the IRM Strategic Plan.

- The FTC will need to develop and implement business process changes to effectively utilize the added capabilities provided by systems for managing information in electronic format.

**Performance Goals**

<b>Performance Goal 3.1.1: A favorable Continuity of Operations (COOP) rating.</b>					
A COOP rating offers insight into agency preparedness across a wide spectrum of issues related to facility and operations management.					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Target</b>	75.0%	75.0%	75.0%	75.0%	75.0%
<b>Actual</b>	85.0%	85.0%	90.0%	90.0%	95.0%
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded
<b>FY 17 Highlights:</b> The FTC’s overall score for the Eagle Horizon 2017 COOP exercise represents a strong continued and sustained commitment to the FTC Emergency Preparedness Program. The exercise provided an opportunity to test and evaluate continuity procedures and ensure that effective plans are in place in the event of a major event that disrupts the essential functions of the FTC.					

<b>Performance Goal 3.1.2: Availability of information technology systems.</b>					
This goal addresses the availability of 10 mission-critical IT systems, such as email, telecommunications, Internet access, and mobile devices. Network availability addresses the reliability of the FTC computer and communications systems.					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Target</b>	99.50%	99.50%	99.50%	99.50%	99.50%
<b>Actual</b>	100.00%	99.98%	99.82%	99.75%	99.70%
<b>Status</b>	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded
<b>FY 17 Highlights:</b> <b>FY 17:</b> The FTC’s information technology services pool averaged 99.70% availability, exceeding the target of 99.50%. While the target was exceeded, there was a slight decrease in uptime from FY 2016 to FY 2017 due to outages in the agency’s Regional Offices and an outage of the agency’s e-mail system in July 2017. Multiple projects are currently underway to address the root causes of these outages.					
Note: Results for this performance measure are presented to two decimals because rounding the number materially changes the result.					

**Performance Goal 3.1.3:** Achieved a favorable (unmodified) audit opinion from the agency's independent financial statement auditors.

The financial statement audit determines whether our financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit also addresses internal controls and compliance with applicable laws and regulations.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	Unmodified opinion on the financial statements	Unmodified opinion on the financial statements	Unmodified opinion on the financial statements	Unmodified opinion on the financial statements	Unmodified opinion on the financial statements
<b>Actual</b>	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion
<b>Status</b>	Met	Met	Met	Met	Met

**FY 17 Highlights:** FY 2017 was the 21st consecutive unmodified opinion on the agency's annual audit.

**Performance Goal 3.1.4:** Average number of days for the FTC to release information in response to a simple FOIA request.

This goal tracks the agency's response time in processing a simple FOIA request for access to public records.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	Baseline	6.0 days	6.0 days	6.0 days	6.0 days
<b>Actual</b>	7.4 days	5.4 days	5.5 days	5.9 days	5.4 days
<b>Status</b>	N/A	Exceeded	Exceeded	Exceeded	Exceeded

#### Other Indicator

**Indicator 3.1.IND1:** Performance against the Small Business Administration's government-wide small business procurement goals.

Achieving the agency's small business procurement goal demonstrates that its procurements meet or exceed a major federal acquisition standard.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Actual</b>	49.5%	45.9%	42.3%	37.6%	41.7%



## Objective 3.2: Cultivate a high-performing, diverse, and engaged workforce.

### FY 2017 Strategic Objective Progress Update

#### Progress Made

- **Presidential Management Fellows (PMF) Program:** The FTC implemented the Presidential Management Fellow (PMF) component of the FTC Pathways Program, providing agency officials even greater hiring flexibilities to acquire high-quality talent for the agency. The Pathways Program is a key element of the agency's strategy to implement its future workforce vision. The agency has hired its first Presidential Management Fellow in the Bureau of Consumer Protection and is soliciting Fellows for other rotational opportunities.
- **Phased retirement:** The FTC successfully implemented phased retirement during FY 17 and educated managers and staff on the advantages and disadvantages of the program. Phased retirement is a workplace flexibility tool that allows employees who are retirement eligible to continue to work and provide valuable institutional knowledge to the agency while also exploring retirement life. As a result, the FTC will be able to retain highly skilled professionals while those professionals pass along their knowledge to assigned mentees.
- **Voluntary Separation Incentive Payments Authority (VSIP) and Voluntary Early Retirement Authority (VERA):** As a part of the President's initiative to reform the Federal Government and reduce the Federal Civilian Workforce, the Federal Trade Commission sought and received authority to offer VSIP and VERA to targeted occupational categories. The key strategy the FTC will use to implement its future workforce vision is to reshape vacated positions to target recruitment of individuals who possess the updated skill sets and competencies that have been identified through management review. Utilizing this authority, the agency expects to operate even more effectively in achieving its missions going forward.
- **Onboarding:** The FTC redesigned new employee onboarding with an emphasis on employee engagement. The first phase of the onboarding initiative included a secure electronic portal to allow new employees to complete their personal documentation online. Once completed, forms go directly to the Federal Personnel and Payroll System. The first day's orientation focuses on providing new employees with substantive information to maximize their productivity and give them a sense of belonging.
- **Security Process:** FTC changed the security process for new employees, improving the security of the agency without a noticeable increase of the time to hire. The new process requires the completion of the suitability determination prior to the entrance-on-duty date of new staff. This includes completing an online privacy and security orientation, fingerprinting, and security questionnaire. The changes to this process not only allow for a smoother transition to federal service for incoming employees but also keeps the agency more secure overall.

- The 2017 Federal Employee Viewpoint Survey (FEVS):** The FTC ranked extraordinarily well compared to 16 other departments and agencies with 1,000 or more employees. The FTC ranked the highest on OPM’s Employee Engagement Index, with an overall rating of 83% (an increase of 1% from the previous year), as compared to 67% on average Government-wide. The FTC also ranked first in OPM’s IQ Score, with an overall rating of 78% (an increase of 3% from last year), as compared to 60% on average Government-wide. The IQ Score measures the level of inclusiveness of an organization. The FTC Global Satisfaction Index (employees’ satisfaction with their jobs, pay, and organizations) score was 76% (an increase of 2% from 2016), as compared to the Government-wide average of 64%. Survey results confirm that the FTC is achieving the “Cultivate a High-Performing, Diverse, and Engaged Workforce” objective in its Strategic Plan.

### Challenges or Barriers

In order to address continuing challenges in recruitment, retention, and succession planning, the FTC is implementing programs that will leverage technology and reshape the agency workforce. The agency is using the VERA and VSIP flexibilities granted to it as part of the agency’s overall strategic plan to ensure that it has the right people in the right jobs, closes critical skill gaps, and transforms its workforce to meet changing mission needs. As opposed to reducing the number of employees, the agency is using its VERA and VSIP authorities to accelerate the acquisition of a contemporary workforce skill set that can meet the challenges of quickly evolving marketplace dynamics, technological innovation, and changing consumer needs and experiences. By reshaping workforce competencies and skills across the agency, the FTC will be better positioned to take advantage of efficiencies that can be achieved through technological advancements and streamlined business processes to more effectively serve the nation’s consumers.

### Performance Goals

<b>Performance Goal 3.2.1:</b> FTC achieves a high ranking in the “Best Places to Work in the Federal Government.”					
The “Best Places to Work in the Federal Government” performance goal is a tool for ensuring that employee satisfaction is a top priority for managers and leaders. The FTC is not only measured on overall employee satisfaction, as tracked by the other two performance goals, but is scored in 10 workplace categories, such as effective leadership, employee skills/mission match, pay, teamwork and work/life balance.					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Target</b>	Baseline	Within the top 10 of mid-size agencies	Within the top 10 of mid-size agencies	Within the top 10 of mid-size agencies	Within the top 10 of mid-size agencies
<b>Actual</b>	Ranked 4th	Ranked 4th	Ranked 4th	Ranked 5th	Ranked 4th
<b>Status</b>	N/A	Met	Met	Met	Met
<b>FY 17 Highlights:</b> In 2017, the FTC ranked 4th among mid-size federal government agencies in the “The Best Place to Work” rankings. FTC scored 81.4, a 3.1 point increase from its 2016 score of 78.3.					

**Key Performance Goal 3.2.2:** The extent employees believe the FTC has the talent necessary to achieve organizational goals.

The FTC seeks employee feedback on the extent to which the FTC has the right talent in the right positions at the right time to carry out the mission.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	Exceed 56%	Exceed 55%	Exceed 57%	Exceed 58%	Exceed 59%
<b>Actual</b>	69%	70%	72%	74%	77%
<b>Status</b>	Met	Met	Met	Met	Met

**FY 17 Highlights:** After the agency facilitated the update and implementation of the FTC Pathways Programs to include the ability to use the Recent Graduates and Presidential Management Fellow (PMF) components (along with the already used Intern program), the Bureau of Consumer Protection hired the agency’s first PMF to work in the Division of Consumer and Business Education. This policy change provides agency officials with greater hiring flexibilities in acquiring high quality talent for the agency.

**Performance Goal 3.2.3:** The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.

The FTC seeks employee feedback on the extent to which the FTC makes employees feel they belong and are uniquely valued.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Target</b>	N/A	Exceed 56%	Exceed 57%	Exceed 58%	Exceed 60%
<b>Actual</b>	N/A	68%	70%	75%	78%
<b>Status</b>	N/A	Met	Met	Met	Met

**FY 17 Highlights:** The FTC’s agency-wide Diversity Council continued to develop substantive training opportunities and programmatic activities that fostered an engaged workforce environment. In addition, the Office of Equal Employment Opportunity and Workforce Inclusion, began delivering civil rights-focused training across the organization, which discussed unconscious bias, micro-inequities, and managing diversity in the workplace. The FTC’s revamped onboarding process includes a presentation by EEOWI to ensure that new employees understand that the agency’s culture is open, accepting, and celebratory of the employees’ diversity. Moreover, the FTC maintained a full calendar of cultural emphasis month activities that spanned the gamut – presentations by Federal judges and professionals from the Smithsonian to a jazz band, and employee-led potluck luncheons in celebration of Black History Month and Hispanic/Latino Heritage Month.

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# ANNUAL PERFORMANCE PLAN







## Federal Trade Commission Strategic Plans 2014 to 2018 and 2018 to 2022: A Comparison

FY 2014 – 2018 Strategic Plan	FY 2018 – 2022 Strategic Plan
<p><b>Mission</b></p> <p>Working 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.</p>	<p>Protecting consumers and competition by preventing anticompetitive, deceptive, and unfair business practices through law enforcement, advocacy, and education without unduly burdening legitimate business activity.</p>
<p><b>Vision</b></p> <p>A vibrant economy characterized by vigorous competition and consumer access to accurate information.</p>	<p><i>No Change</i></p>
<p><b>Strategic Goals</b></p> <p>Goal 1: Protect Consumers</p> <p>Goal 2: Maintain Competition</p> <p>Goal 3: Advance Organizational Performance</p>	<p>Goal 1: Protect consumers from unfair and deceptive practices in the marketplace.</p> <p>Goal 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes.</p> <p>Goal 3: Advance the FTC’s performance through excellence in managing resources, human capital, and information technology.</p>

<b>GOAL 1: Protect consumers from unfair and deceptive practices in the marketplace.</b>	
<b>OBJECTIVES</b>	
1.1. Identify and take actions to address deceptive or unfair practices that harm consumers	<i>No Change</i>
1.2. Provide the public with knowledge and tools to prevent harm to consumers	1.2. Provide consumers and businesses with knowledge and tools that provide guidance and prevent harm
1.3. Collaborate with domestic and international partners to enhance consumer protection	<i>No Change</i>

<b>GOAL 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes.</b>	
<b>OBJECTIVES</b>	
2.1. Identify and take actions to address anticompetitive mergers and practices that harm consumers	2.1. Identify and take actions to address anticompetitive mergers and practices
2.2. Engage in effective research and stakeholder outreach to promote competition, advance its understanding, and create awareness of its benefits to consumers	2.2. Engage in effective research, advocacy, and stakeholder outreach to promote competition and advance its understanding
2.3. Collaborate with domestic and international partners to preserve and promote competition	<i>No change</i>

<b>GOAL 3: Advance the FTC’s performance through excellence in managing resources, human capital, and information technology.</b>	
<b>OBJECTIVES</b>	
3.1. Optimize resource management and infrastructure	<i>No change</i>
3.2. Cultivate a high-performing, diverse, and engaged workforce	<i>No change</i>
	3.3. Optimize technology and information management that supports the FTC mission



<b>GOAL 1: Protect consumers from unfair and deceptive practices in the marketplace.</b>	
<b>MEASURES</b>	
<b>1.1.1.</b> Percentage of the FTC’s consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC.	<i>No Change</i>
<b>1.1.2.</b> Rate of customer satisfaction with the FTC’s Consumer Response Center	<i>No Change</i>
 <b>1.1.3.</b> Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.	 <b>1.1.3.</b> Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement. (3-year rolling average)
 <b>1.1.4.</b> Amount of money the FTC returned to consumers and forwarded to the U.S. Treasury	 <b>1.1.4.</b> Amount of money returned to consumers or forwarded to the U.S. Treasury resulting from FTC enforcement actions. (3-year rolling average)
 <b>1.2.1.</b> Rate of consumer satisfaction with FTC consumer education websites.	1.2.1. Rate of consumer satisfaction with FTC consumer education websites.
<b>1.2.2.</b> Number of federal, state, local, international, and private partnerships to maximize the reach of consumer and business education campaigns.	Changed to an Indicator.
<b>1.2.3.</b> Number of workshops and conferences the FTC convened that address consumer protection problems.	<b>1.2.2.</b> <i>Numbering change only.</i>
<b>1.2.4.</b> Number of consumer protection reports the FTC released.	<b>1.2.3</b> <i>Numbering change only.</i>
<b>1.3.1.</b> Number of investigations or cases in which the FTC and other U.S. federal, state, and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection.	<i>No Change</i>
 <b>1.3.2.</b> Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters.	<i>No Change</i>
<b>1.3.3.</b> Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations, through seminars, substantive consultations, written submissions, or comments, and direct work with foreign agency officials who visit the FTC.	<b>1.3.3</b> Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations.
<b>1.3.4</b> Percentage of consumer protection advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	<b>1.3.4</b> Percentage of consumer protection advocacy comments and amicus briefs filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.

**GOAL 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes.**




**MEASURES**




<p><b>🔑 2.1.1.</b> Percentage of actions to maintain competition in substantial merger and nonmerger investigations.</p>	<p><b>🔑 2.1.1.</b> Percentage of full merger and nonmerger investigations in which the FTC takes action to maintain competition.</p>
<p><b>2.1.2.</b> Consumer savings through merger actions taken to maintain competition. (5-year rolling average)</p>	<p><i>No Change</i></p>
<p><b>🔑 2.1.3.</b> Total consumer savings compared to the amount of FTC resources allocated to the merger program. (5-year rolling average)</p>	<p><i>No Change</i></p>
<p><b>2.1.4.</b> Consumer savings through nonmerger actions taken to maintain competition. (5-year rolling average)</p>	<p><i>No Change</i></p>
<p><b>🔑 2.1.5.</b> Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program. (5-year rolling average)</p>	<p><i>No Change</i></p>
<p><b>2.2.1.</b> Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.</p>	<p><i>No Change</i></p>
<p><b>2.2.2.</b> Number of reports and studies the FTC issued on key competition-related topics.</p>	<p><i>No Change</i></p>
<p><b>2.2.3.</b> Percentage of competition advocacy matters filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.</p>	<p><b>2.2.3.</b> Percentage of competition advocacy comments and amicus briefs filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.</p>
<p><b>🔑 2.3.1.</b> Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes.</p>	<p><i>No Change</i></p>
<p><b>2.3.2.</b> Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or governments, directly and through international organizations through seminars, long-term advisors and staff exchanges, substantive consultations, written submissions or comments, and with foreign officials when they visit the FTC.</p>	<p><b>2.3.2.</b> Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or governments, directly and through international organizations.</p>





<b>GOAL 3: Advance the FTC’s performance through excellence in managing resources, human capital, and information technology.</b>	
<b>MEASURES</b>	
3.1.1. A favorable Continuity of Operations (COOP) Rating.	<p><b>3.1.1</b> The extent to which the FTC is prepared to protect people and property and to continue mission essential operations during emergencies.</p> <p>a. Achieve a favorable COOP rating.</p> <p>b. Number of products and activities related to Physical Security that inform staff and provide opportunities to practice emergency procedures.</p>
	<b>3.1.2</b> Percentage of survey respondents who are satisfied or very satisfied with the timeliness of administrative operations.
3.1.2. Availability of information technology systems.	<i>Moved to new Objective 3.3</i>
3.1.3. Achieve a favorable (unmodified) audit opinion from agency’s independent financial statement auditors.	<i>No Change</i>
3.1.4. Average number of days for the FTC to release information in response to a simple FOIA request.	<i>Removed</i>
	<b>3.1.4.</b> Percentage of new entrant, annual, and termination Public Financial Disclosure Reports that are filed within the required timeframe.
	<b>3.1.5.</b> Percentage of contract actions awarded within FTC’s established Procurement Action Lead Time.
3.2.1. FTC achieves a high ranking in the “Best Places to Work in the Federal Government”	<b>3.2.1.</b> The extent to which the FTC employees consider their agency to be a best place to work.
 <b>3.2.2.</b> The extent employees believe the FTC has the talent necessary to achieve organizational goals.	<i>Removed</i>
3.2.3. The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.	<b>3.2.2.</b> <i>Numbering change only.</i>
	 <b>3.2.3.</b> The extent to which employees believe the FTC cultivates engagement throughout the agency.
	<b>3.2.4.</b> The extent to which employees believe FTC management promotes a results-oriented performance culture.
<i>Previously 3.1.2.</i>	3.3.1. Availability of information technology systems.
	3.3.2. Percentage of IT spend on Provisioned IT Services.
	3.3.3. Achieve a favorable rating on the FTC Cybersecurity Index.
	3.3.4. Percentage of permanent records that are managed electronically.

**Annual Performance Goals: Fiscal Years 2015 to 2019**  
 For additional performance information, please see the reports available at  
<http://www.ftc.gov/about-ftc/performance>.

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2019 Target
<b>Goal 1: Protect consumers from unfair and deceptive practices in the marketplace.</b>					
<b>Objective 1.1: Identify and take actions to address deceptive or unfair practices that harm consumers.</b>					
<b>Performance Goal 1.1.1</b> Percentage of the FTC's consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC.	93.8%	91.2%	94.4%	80.0%	80.0%
<b>Performance Goal 1.1.2</b> Rate of customer satisfaction with the FTC's Consumer Response Center.  (A) Website (B) Call Center	(A) 81.0 (B) 82.0	(A) 81.0 (B) 83.0	(A) 80.0 (B) 84.0	(A) and (B) Meet or exceed average citizen satisfaction rate, as published in the E-Government Satisfaction Index	
 <b>Performance Goal 1.1.3</b> Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.	N/A	N/A	N/A	650.0%	700.0%
 <b>Performance Goal 1.1.4</b> Amount of money returned to consumers or forwarded to the U.S. Treasury resulting from FTC enforcement action.	N/A	N/A	N/A	Baseline	TBD
<b>Objective 1.2 Provide consumers and businesses with knowledge and tools that provide guidance and prevent harm.</b>					
 <b>Performance Goal 1.2.1</b> Rate of consumer satisfaction with FTC consumer education websites.	Data Not Available	76.0	77	Meet or exceed average citizen satisfaction rate, as published in the E-Government Satisfaction Index.	
<b>Performance Goal 1.2.2</b> Number of workshops and conferences the FTC convened that address consumer protection issues.	17	12	19	10	
<b>Performance Goal 1.2.3</b> Number of consumer protection reports the FTC released.	6	8	10	6	

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2019 Target
<b>Objective 1.3 Collaborate with domestic and international partners to enhance consumer protection.</b>					
<b>Performance Goal 1.3.1</b> Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection.	435	387	359		375
<b>Performance Goal 1.3.2</b> Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions, or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters.	58	53	50		40
<b>Performance Goal 1.3.3</b> Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations.	76	66	66		60
<b>Performance Goal 1.3.4</b> Percentage of consumer protection advocacy comments and amicus briefs filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	100.0%	85.7%	*		60.0%
<b>Goal 2: Maintain competition to promote a marketplace free from anticompetitive mergers, business practices, or public policy outcomes</b>					
<b>Objective 2.1 Identify and take actions to address anticompetitive mergers and practices.</b>					
 <b>Performance Goal 2.1.1</b> Percentage of full merger and nonmerger investigations in which the FTC takes action to maintain competition.	57.7%	54.6%	49.1%		40.0-70.0%
<b>Performance Goal 2.1.2</b> Consumer savings through merger actions taken to maintain competition.	\$2.4 billion	\$2.6 billion	\$2.6 billion		\$2.1 billion
 <b>Performance Goal 2.1.3</b> Total consumer savings compared to the amount of FTC resources allocated to the merger program.	5,131.6%	4,640.3%	5,563%		4,200.0%
<b>Performance Goal 2.1.4</b> Consumer savings through nonmerger actions taken to maintain competition.	\$1.0 billion	\$1.0 billion	\$1.1 billion		\$900.0 million
 <b>Performance Goal 2.1.5</b> Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.	4,863.3%	5,228.6%	3,959%		4,000.0%

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2019 Target
<b>Objective 2.2 Engage in effective research, advocacy, and stakeholder outreach to promote competition and advance its understanding.</b>					
<b>Performance Goal 2.2.1</b> Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.	4	3	3	4	3
<b>Performance Goal 2.2.2</b> Number of reports and studies the FTC issued on key competition-related topics.	9	9	11	8	
<b>Performance Goal 2.2.3</b> Percentage of competition advocacy comments and amicus briefs filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.	80.0%	64.7%	*	60.0%	
<b>Objective 2.3 Collaborate with domestic and international partners to preserve and promote competition.</b>					
 <b>Performance Goal 2.3.1</b> Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes.	100.0%	100.0%	96.0%	95.0%	
<b>Performance Goal 2.3.2</b> Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or government.	144	171	160	120	
<b>Goal 3: Advance the FTC's performance through excellence in managing resources, human capital, and information technology.</b>					
<b>Objective 3.1 Optimize resource management and infrastructure.</b>					
<b>Performance Goal 3.1.1</b> The extent to which the FTC is prepared to protect people and property and to continue mission essential operations during emergencies. (A) Achieve a favorable COOP rating (B) The number of products and activities related to Physical Security that inform staff and provide opportunities to practice emergency procedures.	(A) 90.0% (B) N/A	(A) 90.0% (B) N/A	(A) 95.0% (B) N/A	(A) 75.0% (B) Baseline	(A) 75.0% (B) TBD
<b>Performance Goal 3.1.2</b> Percentage of survey respondents who are satisfied with the timeliness of administrative operations.	N/A	N/A	82%**	Baseline	TBD
<b>Performance Goal 3.1.3</b> Achieve a favorable (unmodified) audit opinion from the agency's independent financial statement auditors.	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified audit opinion on the financial statements	
<b>Performance Goal 3.1.4</b> Percentage of new entrant, annual, and termination Public Disclosure Reports that are filed within the required timeframe.	N/A	N/A	N/A	Baseline	TBD
<b>Performance Goal 3.1.5</b> Percentage of contract actions awarded within FTC's established Procurement Action Lead Time (PALT).	N/A	78%	65%	Baseline	TBD

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Target	FY 2019 Target
<b>Objective 3.2 Cultivate a high-performing, diverse, and engaged workforce.</b>					
<b>Performance Goal 3.2.1</b> The extent to which FTC employees consider their agency a best place to work.	79.2%	81.2%	82.9%	Exceed the government-wide average results.	
<b>Performance Goal 3.2.2</b> The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.	70.2%	75.0%	77.8%	Exceed the government-wide average results.	
 <b>Performance Goal 3.2.3</b> The extent to which employees believe the FTC cultivates engagement throughout the agency.	78.5%	81.5%	82.5%	Exceed the government-wide average results.	
<b>Performance Goal 3.2.4</b> The extent to which employees believe FTC management promotes a results-oriented performance culture.	65.0%	70.4%	72.9%	Exceed the government-wide average results.	
<b>Objective 3.3 Optimize technology and information management that supports the FTC mission.</b>					
<b>Performance Goal 3.3.1</b> Availability of information technology systems.	N/A	N/A	N/A	99.5%	99.5%
<b>Performance Goal 3.3.2</b> Percentage of IT spend on Provisioned IT Services.	N/A	N/A	N/A	Baseline	TBD
<b>Performance Goal 3.3.3</b> Achieve a favorable FTC Cybersecurity Index score.	N/A	N/A	N/A	Baseline	TBD
<b>Performance Goal 3.3.4</b> Percentage of permanent records that are managed electronically.	N/A	N/A	N/A	Baseline	TBD

\*Data for 1.3.4 and 2.2.3 is reported with a one year lag. FY 2017 results will be reported in the FY 2018 APR.

## STRATEGIC GOAL 1: PROTECT CONSUMERS FROM UNFAIR AND DECEPTIVE PRACTICES IN THE MARKETPLACE

The FTC protects consumers from unfair and deceptive practices in the marketplace. The FTC conducts investigations, sues companies and people that violate the law, develops rules to protect consumers, and educates consumers and businesses about their rights and responsibilities. The agency also collects complaints about a host of consumer issues, including fraud, identity theft, financial matters, and Do Not Call violations. The FTC makes these complaints available to law enforcement agencies worldwide.

Because the FTC has jurisdiction over a wide range of consumer protection issues in order to carry out its broad mission, it must make effective use of limited resources by targeting its law enforcement and education efforts to achieve maximum impact and by working closely with federal, state, international, and private sector partners in joint initiatives. In addition, the agency engages in dialogue with a broad range of stakeholders to understand emerging issues. The FTC also conducts research on a variety of consumer protection topics.

The FTC focuses on investigating and litigating cases that cause or are likely to cause substantial injury to consumers. This includes not only monetary injury, but also, for example, unwarranted health and safety risks. By focusing on practices that are actually harming or likely to harm consumers, the FTC can best use its limited resources.

### Strategic Objectives

The FTC has established three objectives to guide work in this area:

- **Objective 1.1:** Identify and take actions to address deceptive or unfair practices that harm consumers.
- **Objective 1.2:** Provide consumers and businesses with knowledge and tools that provide guidance and prevent harm.
- **Objective 1.3:** Collaborate with domestic and international partners to enhance consumer protection.

## **Objective 1.1 Identify and take actions to address deceptive or unfair practices that harm consumers.**

**Goal Leader: Director, Bureau of Consumer Protection**

### **Strategies**

- The FTC targets law enforcement efforts on violations that cause the greatest amount of consumer harm by reviewing complaints, monitoring practices in the marketplace, and evaluating other information. The FTC and its law enforcement partners mine the CSN database to identify trends and targets, as well as to develop cases against existing targets.
- The FTC stops injury through law enforcement that focuses on preventing fraud and harm to consumers, protecting consumer privacy, monitoring national advertising and new technologies, and suing entities that violate federal court and administrative orders obtained by the FTC.

### **FY 2018-2019 Next Steps and Future Actions for Strategic Objective**

- Evaluate whether enforcement activities are tracking the areas of greatest concern and whether there are new practices or technologies that require additional law enforcement focus.
- Evaluate the effectiveness of the FTC's enforcement efforts in those areas in which a baseline measure can be determined.

### **External Factors**

- Complaints are an integral component when determining the areas of greatest concern and injury to consumers. The FTC continually works to increase public awareness of the complaint process to encourage consumers to report fraud, identity theft, Do Not Call Registry violations, and other complaints. Identifying unlawful practices can be impacted by the number of complaints the agency receives. The volume of consumer complaints about marketplace experiences can influence the identification of law enforcement targets, broader trends, and policy concerns.
- The FTC's effectiveness in taking action to protect consumers may be affected by Congressional legislation, budgetary constraints, and staffing needs.
- The increasing costs of litigation, including the costs associated with processing and storing increasingly large amounts of electronic data in investigations and cases, may also affect the number of enforcement actions brought.

## Performance Goals

<b>Performance Goal 1.1.1: Percentage of the FTC's consumer protection law enforcement actions that targeted the subject of consumer complaints to the FTC.</b>					
The FTC collects complaints about a host of consumer issues, including fraud, identity theft, financial matters, and Do Not Call violations. Complaints are an integral component when determining the areas of greatest concern and injury to consumers. This measure gauges how well the FTC's consumer protection law enforcement actions target the subject of consumer complaints.					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	80%	80.0%	80.0%	80.0%	80.0%
<b>Actual</b>	93.8%	91.2%	94.44%	---	---
<b>Status</b>	Exceeded	Exceeded	Exceeded	---	---

<b>Performance Goal 1.1.2: Rate of customer satisfaction with the FTC's Consumer Response Center.</b>					
This goal measures how satisfied consumers are with the FTC's Consumer Response Center, which is responsible for collecting consumer complaints. Satisfaction is measured separately for consumers filing complaints through online forms, and for those filing complaints through the call center. The Consumer Response Center is often consumers' first contact with the FTC, and if consumers do not have a satisfactory experience, they may be less likely to file complaints. Consumer complaints help the FTC to identify consumer protection issues and trends in the fast-changing, increasingly global marketplace. (a) Website (b) Call Center					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	(a) 72.0 (b) 72.0	(a) 73.0 (b) 73.0	(a) 73.0 (b) 73.0	(a) and (b): Meet or exceed average citizen satisfaction rate, as published in the E-Government Satisfaction Index	
<b>Actual</b>	(a) 81.0 (b) 82.0	(a) 81.0 (b) 83.0	(a) 80.0 (b) 84.0	---	---
<b>Status</b>	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded	(a) Exceeded (b) Exceeded	---	---



**Key Performance Goal 1.1.3:** Total consumer savings compared to the amount of FTC resources allocated to consumer protection law enforcement.

This measure tracks the efficiency of the FTC’s consumer protection law enforcement spending. We compare how much money the FTC saves consumers each year through law enforcement to the amount the FTC spends on consumer protection law enforcement. Consumer savings is composed of two things: (a) the amount of money the FTC returns to consumers, and (b) an estimate of the amount of harm that would have occurred but for the FTC’s law enforcement action. To calculate this latter figure, the FTC assumes that the unlawful conduct would have continued for one year but for our action. The FTC also assumes that the amount of harm that would have occurred in that year is the same as what consumers lost in the past. See Performance Goals 2.1.3 and 2.1.5 for similar measures tracking antitrust laws.

Note: While this metric has been reported for several years, beginning in FY 2018 the BCP will report this measure as a 3-year rolling average.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	650.0%	700.0%
<b>Actual</b>	N/A	N/A	N/A	---	---
<b>Status</b>	N/A	N/A	N/A	---	---

**Key Performance Goal 1.1.4:** The amount of money returned to consumers or forwarded to the U.S. Treasury resulting from FTC enforcement action.

This goal tracks the FTC’s effectiveness in returning money to consumers who were defrauded and forwarding money to the U.S. Treasury (e.g., if sending money to individuals is impracticable, or if funds were paid as a civil penalty). The FTC targets law enforcement efforts on violations that cause the greatest amount of consumer harm, so the amount of money returned to consumers and forwarded to the U.S. Treasury indicates the FTC is targeting the right defendants. The number reported is a three-year rolling average (average of the current year and two prior year totals). (Numbers shown in millions.)

Note: While this metric has been reported for several years, beginning in FY 2018 the BCP will report the sum of refund checks cashed by consumers, plus the amount of money paid to the FTC by defendants and forwarded to the U.S. Treasury, either because sending refunds was not feasible or because money was paid as a civil penalty. Therefore, FY 2018 will be considered a new baseline year for Performance Goal 1.1.4

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	Baseline	TBD
<b>Actual</b>	N/A	N/A	N/A	---	---
<b>Status</b>	N/A	N/A	N/A	---	---

## Other Indicators

<b>Indicator 1.1.IND.1:</b> Number of complaints collected and entered into the Consumer Sentinel Network (CSN) database.			
The agency assimilates a large number of consumer complaints, including complaints about Do Not Call violations. The agency receives these complaints from a variety of sources, including direct consumer complaints to the FTC and complaints received by the FTC's partners. In this manner, the FTC will collect robust information to inform its law enforcement efforts. (Numbers shown in millions.)			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Actual</b>	7.1	8.4	9.7

<b>Indicator 1.1.IND.2:</b> The percentage of redress cases in which money designated for distribution is mailed to consumers within 6 months.			
This indicator ensures that the FTC returns redress dollars to injured consumers as quickly as possible. Dollars are considered "designated for distribution" when the FTC is in receipt of all funds, legal issues are resolved, and a usable claimant list is ready. If there is a claims process in which consumers must apply for a refund, then dollars are "designated for distribution" after all claims have been reviewed and verified.			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Actual</b>	88.2%	100%	95.5%

<b>Indicator 1.1.IND.3:</b> Number of contributors to the Consumer Sentinel Network (CSN).			
CSN allows members to access consumer complaints submitted directly to the FTC, as well as complaints shared by data contributors, including the Consumer Financial Protection Bureau, multiple State Attorneys General, and all North American Better Business Bureaus. By expanding the number of data contributors, the FTC will have better information with which to inform its law enforcement efforts. Sentinel does not include data from commercial data brokers or information resellers.			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Actual</b>	N/A	N/A	N/A

## **Objective 1.2 Provide consumers and businesses with knowledge and tools that provide guidance and prevent harm.**

**Goal Leaders: Director, Bureau of Consumer Protection;  
Director, Bureau of Economics**

### **Strategies**

- The FTC focuses consumer and business education efforts on areas where deception, unfair practices, and information gaps cause the greatest injury. The FTC targets particular demographic groups with print and digital messages about marketplace issues that impact their health, safety, and economic well-being, both online and off. The agency also engages in education and outreach initiatives through multimedia and interactive content.
- The FTC creatively uses new technologies and private and public partnerships to reach new and underserved audiences, particularly those who may not seek information directly from the FTC.
- The FTC will continue to educate consumers about how to avoid identity theft and provide information to those who have become victims of identity theft.
- The FTC will continue to publicize its consumer complaint and identity theft websites and toll-free numbers in an ongoing effort to increase public awareness of its activities and inform the public of ways to contact the FTC to obtain information or file a complaint.
- The FTC will provide small businesses with more education resources to help them understand the law so they can comply with it.
- The FTC monitors the marketplace and technological developments to identify emerging consumer protection issues, holds workshops or conferences to examine these issues, and, where appropriate, issues reports analyzing the issues to provide the public with knowledge and tools to prevent consumer harm.

### **FY 2018-2019 Next Steps and Future Actions for Strategic Objective**

- Measure the number of education messages disseminated each year and assess the number and range of public and private sector organizations that partner with the FTC on outreach.
- Review the focus of FTC education efforts, determine whether the agency needs to reach new audiences in light of changes in demographics, advertising, marketing practices, and emerging technologies, and identify strategies or partnerships that will allow the FTC to reach those audiences.
- Evaluate the effectiveness of IdentityTheft.gov, the federal government's one-stop resource to help consumers report and recover from identity theft.


### **External Factors**

- The FTC faces challenges meeting the demand for educational materials available in print and works to mitigate these issues through judicious use of funding, pub-

lication revisions, streamlining the catalog of printed materials, and emphasizing the materials available on the website.

- The financial and staffing resources required for consumer and business education, conferences, workshops, and reports may impact the success of this objective. Budgetary limitations and the increasing costs of litigation may require the FTC to devote fewer resources to this objective.

### Performance Goals

 <b>Key Performance Goal 1.2.1:</b> Rate of consumer satisfaction with FTC consumer education websites					
This measure gauges the effectiveness, helpfulness, and usability of the FTC’s consumer education websites. Consumer education serves as the first line of defense against deception and unfair practices. Well-informed consumers are better able to protect themselves from bad actors in the marketplace. This measure includes the customer satisfaction scores for Consumer.ftc.gov and Bulkorder.ftc.gov.					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	73.0	73.0	73.0	Meet or exceed average citizen satisfaction rate, as published in the E-Government Satisfaction Index	
<b>Actual</b>	Data Not Available	76.0	77.0	----	----
<b>Status</b>	----	Exceeded	Exceeded	-----	----

<b>Performance Goal 1.2.2:</b> Number of workshops and conferences the FTC convened that address consumer protection issues.					
The FTC convenes workshops and conferences through which experts and other experienced and knowledgeable parties discuss cutting-edge consumer protection issues and ways to address those issues. This indicator helps the FTC ensure that enforcement and education efforts are augmented by encouraging discussions among all interested parties through empirical research on novel or challenging consumer protection problems.					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	12	10	10	10	10
<b>Actual</b>	17	12	19	----	-----
<b>Status</b>	Exceeded	Exceeded	Exceeded	-----	-----

**Performance Goal 1.2.3: Number of consumer protection reports the FTC released.**

FTC staff prepares reports regarding current important topics in consumer protection, and these reports are the basis for this measure. Consumer protection reports provide information to policy makers, both internally and externally, to help them understand important contemporary issues. This measure also ensures that the FTC releases a variety of informative reports to the public that help promote the understanding and awareness of consumer protection issues.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	10	8	6	6	6
<b>Actual</b>	6	8	10	----	----
<b>Status</b>	Not Met	Met	Exceeded	----	----

**Other Indicators****Indicator 1.2.IND.1: Number of federal, state, local and international, and private partnerships to maximize the reach of consumer and business education campaigns.**

This indicator helps determine the extent to which the FTC's print education publications reach consumers through federal, state, local, international, and private organizations. Organizations, such as congressional offices, state Attorneys General, small businesses, schools, police departments, and banks, work as partners with the FTC by distributing these materials to their clients and customers. These organizations can order free bulk quantities of education materials via an online order system: <https://www.bulkorder.ftc.gov/>. For a measure of the quantity of publications distributed, see Indicator 1.2.IND.2.

	FY 2015	FY 2016	FY 2017
<b>Target</b>	11,500	11,500	12,500
<b>Actual</b>	16,321	14,509	12,944

**Indicator 1.2.IND.2: Number of consumer protection messages accessed (a) in print and (b) digitally.**

These indicators gauge the reach of the agency's education messages for consumers and businesses in print and via the web. The print measure counts the total quantity of publications ordered from [bulkorder.ftc.gov](http://bulkorder.ftc.gov). The digital indicator counts the number of page views of FTC consumer education articles, blog posts and other materials on FTC websites, as well as the page views of FTC business education plain-language guidance articles and blog posts.

	FY 2015	FY 2016	FY 2017
<b>Actual</b>	(a) 17.4 (b) N/A	(a) 15.3 (b) N/A	(a) 14.5 (b) N/A

**Indicator 1.2.IND.3: Number of social media followers and email subscribers.**

This indicator gauges the extent of consumer and business outreach via social networks and email communications.

	FY 2015	FY 2016	FY 2017
<b>Actual</b>	366,876	398,792	481,064

### **Objective 1.3 Collaborate with domestic and international partners to enhance consumer protection.**

**Goal Leaders: Director, Bureau of Consumer Protection; Director, Office of International Affairs; Director, Office of Policy Planning**

#### **Strategies**

- The FTC leverages resources by working with domestic and international partners in government and the private sector to share information about consumer protection issues.
- The FTC pursues the development of international consumer protection enforcement models or approaches that focus on protecting consumers while maximizing consumer choice and economic benefit.
- The FTC provides technical assistance to countries establishing consumer protection regimes, as well as providing selected foreign officials with an opportunity to work alongside FTC attorneys, investigators, and economists to learn about the FTC's approach to consumer protection enforcement and to promote further cooperation between the countries.
- The FTC actively participates in numerous multinational organizations that engage in enforcement cooperation activities against mass-marketing fraud.
- The FTC provides policy advice to foreign consumer protection agencies through substantive consultations and written comments.
- The FTC targets advocacy activities to encourage federal regulators to ensure proper consumer protections are in place. The FTC's amicus briefs seek to ensure consistent interpretation of the consumer protection statutes in the courts.

#### **FY 2018-2019 Next Steps and Future Actions for Strategic Objective**

- Work with international partners to strengthen cooperation among enforcement partners, bilaterally and through multilateral organizations such as the International Consumer Protection Enforcement Network, the Unsolicited Communications Enforcement Network, and the International Mass-Marketing Fraud Network including through new and expanded initiatives with foreign criminal authorities and private sector partners, particularly in countries that are increasingly the source of fraud directed at American consumers. Use U.S. SAFE WEB Act authority and new technological tools to expand cooperation and information sharing with counterpart agencies.
- Engage through the OECD to continue to implement the 2016 OECD Guidelines on Consumer Protection in Electronic Commerce and conduct related work on consumer trust and decision-making in ecommerce and technology-driven markets and the economics of consumer protection.
- Engage with the Intergovernmental Group of Experts on Consumer Protection at UNCTAD to develop and implement best practices under the revised UN

Guidelines on Consumer Protection and develop new opportunities for capacity building and technical cooperation with developing agencies.


- Effectuate the FTC's enforcement-related commitments under the EU-U.S. Privacy Shield and work closely through the Global Privacy Enforcement Network (GPEN) and directly with foreign data protection authorities to provide enforcement assistance, which, in appropriate cases, could include information sharing and investigative assistance pursuant to the U.S. SAFE WEB Act.
- Engage in enforcement cooperation pursuant to the APEC Cross-Border Data Privacy Rules System and work to expand membership in APEC.
- Continue to build and expand a robust international consumer protection and privacy technical assistance program for newer consumer protection and privacy agencies, especially in Latin America, Southeast Asia, and Africa. Engage in targeted, multi-stakeholder approaches to enforcement capacity building in India focusing on India-based call center fraud.
- Further develop the International Fellows and staff exchange programs.
- File comments or otherwise engage in advocacy with local, state, federal, and foreign government entities that evaluate the costs and benefits of proposed policies on consumers and an awareness of the intersection of competition and consumer protection concerns.
- File amicus briefs with federal courts, when possible, to address issues affecting competition and consumer protection.
- Evaluate whether the advice and comments (e.g., advocacy filings, amicus briefs, etc.) that the FTC provides to local, state, and federal government entities on consumer protection policies have been considered and adopted.

### **External Factors**

- When matters involve international targets, evidence, or assets, the FTC has limited control over a number of factors, including the extent to which foreign governments will provide information or cooperate with us on law enforcement matters. In addition, foreign legal rules often prohibit or limit foreign courts from recognizing or enforcing FTC judgments and orders, including asset preservation or collection orders. The FTC uses its U.S. SAFE WEB Act authority to expand its international enforcement efforts and continues its outreach efforts to foreign governments to increase cooperation.
- Domestic advocacy, both to federal regulators and the courts, seeks to influence the decisions made by outside parties. Those decision makers often receive pressure from other organizations, who may be making recommendations that are not in line with our own.

## Performance Goals

<b>Performance Goal 1.3.1:</b> Number of investigations or cases in which the FTC and other U.S. federal, state and local government agencies shared evidence or information that contributed to FTC law enforcement actions or enhanced consumer protection.					
This goal ensures the FTC is leveraging resources with domestic partners on consumer protection issues to further the goal of protecting consumers from fraud.					
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Target</b>	375	375	375	375	375
<b>Actual</b>	435	387	359	-----	-----
<b>Status</b>	Exceeded	Exceeded	Not Met	-----	-----

 <b>Key Performance Goal 1.3.2:</b> Number of investigations or cases in which the FTC obtained foreign-based evidence or information or engaged in other mutual assistance that contributed to FTC law enforcement actions or in which the FTC cooperated with foreign agencies and/or multilateral organizations on enforcement matters.					
The Office of International Affairs (OIA) works to expand cooperation and coordination between the FTC and international consumer protection partners through litigation support, information sharing, and building international consumer protection capacity. This measure counts the number of investigations and cases where information was shared between the FTC and foreign consumer protection agencies.					
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Target</b>	40	40	40	40	40
<b>Actual</b>	58	53	50	----	-----
<b>Status</b>	Exceeded	Exceeded	Exceeded	----	-----

<b>Performance Goal 1.3.3:</b> Number of instances of policy advice or technical assistance provided to foreign consumer protection and privacy agencies, directly and through international organizations.					
This measure quantifies FTC's efforts to develop an international environment that promotes consumer protection, privacy, and cybersecurity by assisting developing countries to build strong consumer protection frameworks. These efforts include providing policy advice, direct technical assistance, and professional development opportunities for international partners through the International Fellows program.					
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Target</b>	60	60	60	60	60
<b>Actual</b>	76	66	66	-----	-----
<b>Status</b>	Exceeded	Exceeded	Exceeded	-----	-----



**Performance Goal 1.3.4:** Percentage of consumer protection advocacy comments and amicus briefs filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.

The FTC’s consumer protection advocacy takes many forms, including advocacy comments, amicus briefs, workshops, reports, and testimony. This measure evaluates the success rate for resolved consumer protection advocacy comments and amicus briefs. While the FTC is primarily a law enforcement agency, advocacy work is a cost-effective way to further the FTC’s consumer protection mission, and allows the FTC to address situations where consumer protection may be affected by the actions of public entities, including regulators and legislators.

To determine whether an advocacy comment or amicus brief is successful, staff waits for the relevant case, legislative process, or agency rulemaking to be fully resolved. Once resolved, the outcome is compared to the policy recommendations within the advocacy comment or the legal arguments set forth in the amicus brief. Advocacies are classified as successful, partially successful, moot, or unsuccessful based on the outcome achieved. We do not attempt to quantify or measure how much effect our advocacy had on the decision. While most advocacies contain either consumer protection recommendations or competition recommendations, a few advocacy comments may have both, and are then counted in this performance goal and Performance Goal 2.2.3.

\*Results for this measure are reported a year behind. FY 2017 data will be available in FY 2018.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	55.0%	55.0%	60.0%	60.0%	60.0%
<b>Actual</b>	100%	85.7%	*	----	----
<b>Status</b>	Exceeded	Exceeded	----	----	----

### Other Indicator

**Indicator 1.3.IND.1:** Number of advocacy comments and amicus briefs on consumer protection issues filed with entities, including federal and state legislatures, agencies, and courts.

Whereas Performance Goal 1.3.4 measures the success of our consumer protection advocacy comments and amicus briefs, this indicator reports the quantity of consumer protection advocacy comments and amicus briefs filed each year. While the FTC is primarily a law enforcement agency, advocacy work is a cost-effective way to further the FTC’s consumer protection mission, and allows the FTC to address situations where consumer protection may be affected by the actions of public entities, including regulators and legislators. While most advocacies contain either consumer protection recommendations or competition recommendations, a few advocacy comments may have both, and are then counted in this indicator and Indicator 2.2.IND.1.

	FY 2015	FY 2016	FY 2017
<b>Actual</b>	9	8	7

## **STRATEGIC GOAL 2: MAINTAIN COMPETITION TO PROMOTE A MARKETPLACE FREE FROM ANTICOMPETITIVE MERGERS, BUSINESS PRACTICES, OR PUBLIC POLICY OUTCOMES.**

Vigorous competition results in lower prices, higher quality goods and services, and innovative and beneficial new products and services. By enforcing the antitrust laws, the FTC helps to ensure that consumers benefit from competition. The FTC's efforts to maintain competition focus primarily on preventing anticompetitive mergers and business practices. The FTC also engages in policy research and development, advocacy, and education to deter anticompetitive practices, reduce compliance costs, and encourage governmental actors at the federal, state, and local levels to evaluate the effects of their policies on competition and consumers. This work is critical to protect and strengthen free and open markets – the cornerstone of a vibrant economy.

### **Strategic Objectives**

The FTC has established three objectives to guide work in this area:

- **Objective 2.1:** Identify and take actions to address anticompetitive mergers and practices.
- **Objective 2.2:** Engage in effective research, advocacy, and stakeholder outreach to promote competition and advance its understanding.
- **Objective 2.3:** Collaborate with domestic and international partners to preserve and promote competition.

### **Objective 2.1 Identify and take actions to address anticompetitive mergers and practices.**

**Goal Leaders: Director, Bureau of Competition; Director, Bureau of Economics**

#### **Strategies**

- Investigate potentially anticompetitive mergers and business conduct efficiently using rigorous, economically sound, and fact-based analyses that enhance enforcement outcomes and minimize burdens on business.
- Improve negotiation and litigation skills and refine investigative and decisional tools through continuous learning.
- Negotiate merger and nonmerger consent orders and win litigated orders that have significant remedial, precedential, and deterrent effects.
- Improve compliance with consent decrees and orders and with HSR reporting obligations.
- Provide transparency in the decision-making process, through comment periods, press releases, policy guidance, and analyses to aid public comment, and ensure existing guidance is up-to-date.

- Conduct market research, including evaluating the effectiveness of merger and conduct remedies to inform future enforcement efforts.

### **FY 2018-2019 Next Steps and Future Actions for Strategic Objective**

- Work to secure the resources necessary to effectively enforce the antitrust laws to ensure that consumers benefit from the lower prices, higher quality, increased innovation, and expanded choices that competition brings.
- Expand employee development programs to increase the antitrust expertise and investigative, negotiation, and litigation skills of legal staff through continuous learning and retrospective analysis.
- Utilize BC's Training Council to identify legal staff development opportunities and provide targeted training programs to meet those needs. Focus on enhancing the investigative process using improved technological tools and the identification of "best practices" to streamline and standardize management of investigations and litigation.
- Maintain ongoing assessment of premerger notification filing requirements and screening methods to maximize efficiency and effectiveness with an emphasis on reducing the burden on filing parties and antitrust agencies.

### **External Factors**

- The dynamism of our economic, technological, and legislative environments plays a direct role in the Commission's ability to achieve success under this objective. Evolving technologies, automation, and intellectual property issues continue to increase the complexity of antitrust investigations and litigation. This complexity, coupled with fluctuations in merger activity and complaints of potentially harmful business conduct sometimes lead to financial and personnel resource limitations. The Commission will continue its efforts to identify best practices and other investigatory efficiencies to alleviate these potential resource limitations.
- Additionally, the ever-evolving legislative landscape, both with respect to federal and state antitrust enforcement authority will likely directly impact the Commission's ability to challenge anticompetitive mergers and business conduct. The FTC will continue to use its advocacy and educational tools to ensure that the Commission maintains the necessary tools for effective antitrust enforcement.

## Performance Goals

**Key Performance Goal 2.1.1:** Percentage of full merger and nonmerger investigations in which the FTC takes action to maintain competition.

This measure ensures that FTC actions promote vigorous competition by preventing anticompetitive mergers and stopping business practices that restrain competition. This measure reflects actions taken to promote competition, including litigated victories, consent orders, abandoned transactions, or restructured transactions (either through a fix-it-first approach or eliminating the competitive concern) in a significant percentage of full merger and nonmerger investigations.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	40%-60%	40%-60%	40%-60%	40%-60%	40%-70%
<b>Actual</b>	57.7%	54.6%	49.1%	-----	-----
<b>Status</b>	Met	Met	Met	-----	-----

**Performance Goal 2.1.2:** Consumer savings through merger actions taken to maintain competition.

This measure ensures that FTC actions promote vigorous competition by preventing anticompetitive mergers and stopping business practices that restrain competition. This measure reflects actions taken to promote competition, including litigated victories, consent orders, abandoned transactions, or restructured transactions (either through a fix-it-first approach or eliminating the competitive concern) in a significant percentage of full merger and nonmerger investigations.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	40%-60%	40%-60%	40%-60%	40%-60%	40%-70%
<b>Actual</b>	57.7%	54.6%	49.1%	---	---
<b>Status</b>	Met	Met	Met	---	---

**Key Performance Goal 2.1.3:** Total consumer savings compared to the amount of FTC resources allocated to the merger program.

This measure tracks the estimated amount of money that the Commission saved consumers by taking action against potentially anticompetitive mergers compared to the amount spent on the merger program. The amount reported is a five-year “rolling average” (average of the current year and four prior year totals).


	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	2,600.0%	2,600.0%	4,200.0%	4,200.0%	4,200.0%
<b>Actual</b>	5,131.6%	4,640.3%	5,563%	---	---
<b>Status</b>	Exceeded	Exceeded	Exceeded	---	---

**Performance Goal 2.1.4:** Consumer savings through nonmerger actions taken to maintain competition.

This measure tracks an estimated amount of money that the Commission saved consumers by taking action against potentially anticompetitive business conduct. The number reported is a five-year “rolling average” (average of the current year and four prior year totals). (Numbers are shown in millions, except where noted).

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	\$80.0	\$80.0	\$900.0	\$900.0	\$900.0
<b>Actual</b>	\$1.0 billion	\$1.0 billion	\$1.1 billion	---	---
<b>Status</b>	Exceeded	Exceeded	Exceeded	---	---

### Other Indicators

 **Key Performance Goal 2.1.5:** Total consumer savings compared to the amount of FTC resources allocated to the nonmerger program.

This measure tracks the estimated amount of money that the Commission saved consumers by taking action against potentially anticompetitive business conduct compared to the amount spent on the nonmerger program. The amount reported is a five-year “rolling average” (average of the current year and four prior year totals).

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	400.0%	400.0%	4,000.0%	4,000.0%	4,000.0%
<b>Actual</b>	4,863.3%	5,228.6%	3,959.3%	---	---
<b>Status</b>	Exceeded	Exceeded	Not Met	---	----

**Indicator 2.1.IND.1:** Average total sales for the current year plus the previous four fiscal years in the affected markets in which the Commission took merger enforcement action.

This indicator ensures that the Commission’s merger actions are guided in part by the size of the relevant product markets involved. It is important that the FTC use its resources in areas where the most positive change can be achieved. The number reported is a five-year “rolling average” (average of the current year and four prior year totals).

	FY 2015	FY 2016	FY 2017
<b>Actual</b>	\$63.3 billion	\$69.8 billion	\$88.3 billion

**Indicator 2.1.IND.2:** Average total sales for the current year plus the previous four fiscal years in the affected markets in which the Commission took anticompetitive market enforcement action.

This indicator ensures that the FTC’s nonmerger actions are, in part, guided by the size of the relevant product markets involved. It is important that the FTC use its resources in areas where the most positive change can be achieved. The amount reported is a five-year “rolling average” (average of the current year and four prior year totals).

	FY 2015	FY 2016	FY 2017
<b>Actual</b>	\$76.1 billion	\$69.8 billion	\$77.06 billion

**Objective 2.2 Engage in effective research, advocacy, and stakeholder outreach to promote competition and advance its understanding.**

**Goal Leaders: Director, Bureau of Competition; General Counsel, Office of the General Counsel; Director, Office of Policy Planning**

**Strategies**

- Improve the agency’s understanding of various practices and developments in the marketplace by conducting public hearings, conferences, and workshops that bring together interested parties and conducting economic research on these issues. Utilize the information gathered to inform the agency’s enforcement agenda. Improve the dissemination of material gathered through hearings, conferences, and workshops.
- Target advocacy activities to encourage state and federal government policymakers to evaluate the competitive implications of their existing and proposed policies, emphasizing the impact on consumers of policies that unnecessarily restrict competition.
- Increase transparency of the agency’s decision-making by ensuring that the content of complaints, press releases, and analyses to aid public comment explain in sufficient detail and with sufficient clarity the evidence and theory of a case, within the constraints of confidentiality requirements. Expand the use of other public statements to improve the public’s understanding of the FTC’s enforcement policies and the benefits of competition.

**FY 2018-2019 Next Steps and Future Actions for Strategic Objective**

- Organize and/or participate in public conferences, workshops, and hearings to enhance the FTC’s understanding of various practices and developments relevant to competition in the marketplace.
- Continue to make related materials, including transcripts, written submissions, reports, and policy papers accessible to the public.

- Seek local, state, and federal government advocacy opportunities to encourage adoption of policies that maximize competition, consumer welfare, and economic liberty by consideration of both the costs and benefits for consumers.
- Review amicus opportunities in the federal courts in cases that may affect competition, and ultimately, consumer welfare.
- Generate reports, policy papers, working papers, and other public documents that synthesize the results of FTC research and enforcement efforts and, where appropriate, make recommendations regarding actions or policies to promote competition.

**External Factors**

- Financial and personnel resource limitations, driven primarily by the costs of litigation, may reduce resources available for this objective.
- Domestic advocacy, whether to state legislators or regulators, federal regulators, or the courts, seeks to influence decisions made by outside parties. Those decision makers have ultimate control over the outcome, and thus our success rate. The targets of our advocacies often receive pressure from other organizations, which may be making recommendations that are not in line with our own.

**Performance Goals**

<b>Performance Goal 2.2.1:</b> Number of workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.					
This measure ensures that consumer benefits are enhanced through policy related activities such as workshops, seminars, conferences, and hearings convened or co-sponsored that involve significant competition-related issues.					
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Target</b>	4	4	4	4	3
<b>Actual</b>	4	3	3	---	---
<b>Status</b>	Met	Not Met	Not Met	---	---

<b>Performance Goal 2.2.2:</b> Number of reports and studies the FTC issued on key competition related topics.					
This measure tracks competition policy-related activities such as Commission or staff research, reports, economic or policy papers, and studies, produced after substantive investigation and analysis that enhance the public’s knowledge of competition issues and promote the adoption of policies that rely on competition to the extent possible. Also included as part of this measure are reports to other federal agencies that report on the aggregate activities of the FTC.					
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Target</b>	8	8	8	8	8
<b>Actual</b>	9	9	11	----	----
<b>Status</b>	Exceeded	Exceeded	Exceeded	----	----

**Performance Goal 2.2.3:** Percentage of competition advocacy comments and amicus briefs filed with entities including federal and state legislatures, agencies, or courts that were successful, in whole or in part.

The FTC’s competition advocacy takes many forms – including advocacy comments, amicus briefs, workshops, reports, and testimony. This measure evaluates the success rate for resolved competition advocacy comments and amicus briefs. While the FTC is primarily a law enforcement agency, advocacy work is a cost-effective way to further the FTC’s competition mission, and allows the FTC to address situations where competition may be affected by the actions of public entities, including regulators and legislators.

To determine whether an advocacy comment or amicus brief is successful, staff waits for the relevant case, legislative process, or agency rulemaking to be fully resolved. Once resolved, the outcome is compared to the policy recommendations within the advocacy comment or the legal arguments set forth in the amicus brief. Advocacies are classified as successful, partially successful, moot, or unsuccessful based on the outcome achieved. We do not attempt to quantify or measure how much effect our advocacy had on the decision. While most advocacies contain either consumer protection recommendations or competition recommendations, a few advocacy comments may have both, and are then counted in this performance goal and Performance Goal 1.3.4.

\*Results for this measure are reported a year behind. FY 2017 data will be available in FY 2018.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	55.0%	55.0%	60.0%	60.0%	60.0%
<b>Actual</b>	80.0%	64.7%	*	---	---
<b>Status</b>	Exceeded	Exceeded	---	---	---

### Other Indicator

**Indicator 2.2.IND.1:** Number of advocacy comments and amicus briefs on competition issues filed with entities, including federal and state legislatures, agencies, and courts

Whereas Performance Goal 2.2.3 measures the success of our competition advocacy comments and amicus briefs, this indicator reports the quantity of competition advocacy comments and amicus briefs filed each year. While the FTC is primarily a law enforcement agency, advocacy work is a cost-effective way to further the FTC’s competition mission, and allows the FTC to address situations where competition may be affected by the actions of public entities, including regulators and legislators. While most advocacies contain either consumer protection recommendations or competition recommendations, a few advocacy comments may have both, and are then counted in this indicator and Indicator 1.3.IND.1.

	FY 2015	FY 2016	FY 2017
<b>Actual</b>	17	26	16



## **Objective 2.3 Collaborate with domestic and international partners to preserve and promote competition.**

**Goal Leaders: Director, Office of International Affairs; Director, Bureau of Competition; Director, Bureau of Economics**

### **Strategies**

- Work more extensively within the U.S. government inter-agency process and with other domestic government entities to support the FTC's efforts to promote market-based competition and policy convergence.
- Broaden and deepen our cooperation with foreign competition agencies on anti-trust matters that are subject to concurrent review to improve the effectiveness of investigations and promote consistent outcomes.
- Promote policy convergence toward sound and effective antitrust enforcement internationally by working with a greater number of foreign competition agencies, including bilaterally through substantive consultations, written comments, and the provision of technical advice, and, multilaterally, by taking leadership roles in multilateral and regional organizations.
- Provide technical assistance to countries that are establishing competition regimes. Provide selected foreign officials with an opportunity to work alongside FTC attorneys, economists, and investigators to enhance their capacity to develop and implement sound competition policy and enforcement.

### **FY 2018-2019 Next Steps and Future Actions for Strategic Objective**

- Support the Bureau of Competition's enforcement by providing effective assistance with the international aspects of its investigations and litigation.
- Maintain the FTC's leadership role in the ICN by participating in the Steering Group and guiding the ICN's strategic direction; leading the ICN's merger work, online training project, and implementation efforts; and helping develop work on unilateral conduct, agency effectiveness, and competition advocacy.
- Enhance the FTC's participation in other multilateral and regional fora, including the OECD, UNCTAD, and APEC, e.g., by helping to develop the OECD's work on competition and the digital economy, procedural fairness in competition investigations and enforcement, and the application of law to intellectual property rights.
- Advance cooperation and convergence with foreign competition agencies by improving cooperation in merger and anticompetitive conduct enforcement and policy, including developing new tools for cooperation and leadership on multilateral initiatives.
- Further strengthen relations with competition agencies, including in Argentina, Brazil, Canada, China, the European Union, India, Korea, Mexico and Taiwan,


through dialogue on policy initiatives, case cooperation, and, as appropriate, the provision of technical assistance.

- Work with other U.S. agencies, including bilaterally and in intergovernmental fora, to address appropriate competition-related issues, e.g., with members of interagency groups that focus on China, Korea, the EU, and the OECD.
- Work with DOJ to publicize the Antitrust Guidelines for International Enforcement and Cooperation.
- Continue the FTC’s robust international competition technical assistance program for newer competition agencies.
- Further develop the International Fellows and staff exchange programs.

**External Factors**

- The development of competition policy involves numerous stakeholders, political considerations, and economic factors. Enforcement of the more than 130 competition laws often overlap and intersect, and can potentially conflict. Foreign policy and political considerations that are outside the scope of competition policy may also play a role. All of these factors can affect enforcement, cooperation, and policy of the U.S. antitrust agencies.
- The ability to conduct international technical assistance depends in part on the availability of external resources, support of U.S. embassies abroad, and the willingness of foreign governments to accept U.S. assistance.

**Performance Goals**

 <b>Key Performance Goal 2.3.1:</b> Percentage of FTC cases involving at least one substantive contact with a foreign antitrust authority in which the agencies followed consistent analytical approaches and reached compatible outcomes.					
The Office of International Affairs (OIA) strives to ensure appropriate cooperation on and coordination of investigations under parallel review by the FTC and foreign competition agencies. This measure gauges the effectiveness of the FTC’s enforcement cooperation with foreign antitrust authorities pursuing parallel enforcement activities.					
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Target</b>	95.0%	95.0%	95.0%	95.0%	95.0%
<b>Actual</b>	100%	100%	96%	---	---
<b>Status</b>	Exceeded	Exceeded	Exceeded	---	---

**Performance Goal 2.3.2:** Number of instances in which the FTC provided policy advice or technical assistance to foreign competition agencies or governments, directly and through international organizations.

This measure quantifies FTC’s efforts to assist young competition authorities to enhance their enforcement capacity, build sound regulatory frameworks, improve agency effectiveness, and promote competition policies in their economy. These efforts include providing policy advice and direct technical assistance, as well as professional development opportunities for international partners through the International Fellows program.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	120	120	120	120	120
<b>Actual</b>	144	171	160	---	---
<b>Status</b>	Exceeded	Exceeded	Exceeded	---	---

**Other Indicator**

**Indicator 2.3.IND.1:** Percentage of full investigations in which the FTC and other U.S. federal, state, and local government agencies shared evidence or information that contributed to FTC law enforcement.

Due to the wide geographic impact of merger and nonmerger actions, it is important that the FTC share information and resources with other federal, state and local government agencies in the investigation and enforcement of cases. This indicator tracks the number of full merger and nonmerger investigations concluded in a given fiscal year that involved information sharing with federal, state, or local government agencies.

	FY 2015	FY 2016	FY 2017
<b>Actual</b>	N/A	N/A	N/A

### **STRATEGIC GOAL 3: ADVANCE THE FTC'S PERFORMANCE THROUGH EXCELLENCE IN MANAGING RESOURCES, HUMAN CAPITAL, AND INFORMATION TECHNOLOGY.**

The FTC believes that advancing organizational performance at all levels creates a strong foundation for overall mission success. The agency's work in Strategic Goal 3 highlights ongoing efforts to provide quality and timely services to the agency and enhances the agency's ability to focus on protecting consumers and maintaining competition.

Goal 3, Advance the FTC's performance through excellence in managing resources, human capital, and information technology, is inherently collaborative, and encompasses key management areas in the FTC: human capital, infrastructure and security, information technology resources, and financial management. A new objective has been added to Goal 3 to further address information and technology management as critical support functions at the FTC. Work in Goal 3 fosters leadership, transparency, and accountability across the agency and establishes a culture of customer service and effective planning, administration, and management. Employees at all levels are expected to show leadership in their areas of responsibility by exhibiting a willingness to develop and coach others, a commitment to teamwork, and a drive to find innovative and efficient solutions.

The FTC has established three objectives to guide work in this area:

- **Objective 3.1:** Optimize resource management and infrastructure.
- **Objective 3.2:** Cultivate a high-performing, diverse, and engaged workforce.
- **Objective 3.3:** Optimize technology and information management that supports the FTC mission.

#### **Objective 3.1 Optimize resource management and infrastructure.**

**Goal Leaders: Executive Director, Office of the Executive Director; General Counsel, Office of the General Counsel**

##### **Strategies**

- Continue to update its Continuity of Operations Plan (COOP), which defines the necessary planning and actions that are required to ensure the preservation and performance of FTC mission essential functions.
- Set up a training program for Emergency Preparedness that will include various training formats, including the e-Train system. Training will be encouraged and emphasized through a robust communication plan that will ensure people know what they should do to be safe, as well as how they can best prepare themselves for emergencies. Additionally, FTC will emphasize drills and activities that provide employees the opportunity to practice proper emergency response procedures.
- Improve the effectiveness and efficiency of the FTC's financial management operations, including critical procurement-related work. Building on the successful

integration of the procurement and core financial systems, the FTC plans to automate how the agency receives and pays for services. This complete financial management system will strengthen the agency's internal controls, improve efficiency of the end-to-end procure-to-pay process, and provide agency staff with timely information regarding budget execution and the availability of funds.

- Improve our Procurement Action Lead Time (PALT), a widely-used government measurement that estimates the number of days to award a procurement action, once a complete procurement package has been received.
- Ensure timely filing of financial disclosure reports through improved tracking and communication.

### **FY 2018 - 2019 Next Steps and Future Actions for Strategic Objective**

- Review and update FTC COOP Plan to ensure the plan supports the essential functions of the agency. While the FTC's current plan meets all government requirements, the FTC is revising the plan in FY 2018 to reflect the framework of the new Presidential Policy Directive on Continuity (PPD-40) and the recent update of the Federal Continuity Directive 1.
- Complete and distribute a comprehensive Emergency Preparedness guide that will inform employees about proper procedures for responding to emergencies.
- Expand knowledge about emergency preparedness by developing and delivering classroom and web-based training courses.
- Continue to promote and develop a strong working relationship with all staff that focus on Customer Service while adhering to agency policy.
- FMO completed an Independent Verification and Validation assessment of the FTC's implementation of CLM in early FY 2017. Findings will inform future projects with the agency's shared service provider.
- FMO continues to work with the Interior Business Center (IBC) to meet the May 2017 Data Act requirements. The FTC is an active participant in supporting IBC's enhancements and releases to Oracle Federal Financials to establish the necessary configuration and extract functionality that will allow timely reporting and submission of the required data files.
- Document improved processes and policies for financial and acquisition management that promote integrity, transparency, efficiency, and effectiveness.
- Continue with the implementation of ERM in accordance with agency policy.
- Develop service-level strategies to improve performance, increase availability, ensure alignment with the FTC's Strategic Plan and detail resources, activities, and projects to modernize core IT services.

### **External Factors**

- Changes in government requirements, especially for financial management, may cause a shift in priorities or change how the FTC approaches the work.

- Changes in federal ethics requirements and whether the U.S. Office of Government Ethics continues to provide Integrity as its disclosure report database may affect how the FTC’s Ethics Team collects and reviews public financial disclosure reports.
- The annual OED Customer Satisfaction Survey is voluntary. If few FTC employees choose to respond to the survey the usefulness of the data to drive service improvements will be limited.

## Performance Goals

<p><b>Performance Goal 3.1.1:</b> The extent to which the FTC is prepared to protect people and property and to continue mission essential operations during emergencies.</p> <p>(a) Achieve a favorable COOP rating</p> <p>(b) The number of products and activities related to Physical Security that inform staff and provide opportunities to practice emergency procedures.</p>					
<p>(a) The FTC Continuity of Operations (COOP) Plan defines the necessary planning and actions that are required to ensure the preservation and performance of the FTC’s essential functions. Continuity planning facilitates the performance of FTC essential functions during all-hazards emergencies or other situations that may disrupt or potentially disrupt normal operations. The FTC COOP Plan is validated through annual tests, training, and exercises that confirm the agency’s ability to perform essential supporting functions during an emergency. The annual government-wide Eagle Horizon exercise serves to assess and validate components of the continuity plan as well as the policies, procedures, systems and facilities used to respond to and recover from an emergency. This assessment also serves to identify issues for subsequent improvement.</p> <p>(b) It is important that FTC employees have as much information as possible regarding actions and resources that will ensure their safety during emergencies. The Occupational Health and Safety Office develops promotional and educational materials such as posters, publications, Internet tools, classroom and web-based training courses, and appropriate exercises and drills designed to give employees the information they need to remain safe. This measure will track the number of products (posters, publications, etc.) and activities (training opportunities, drills, etc.) focused on physical safety and security that are provided to FTC employees.</p>					
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Target</b>	(a) 75.0% (b) N/A	(a) 75.0% (b) N/A	(a) 75.0% (b) N/A	(a) 75.0% (b) Baseline	(a) 75.0% (b) TBD
<b>Actual</b>	(a) 90.0% (b) N/A	(a) 90.0% (b) N/A	(a) 95.0% (b) N/A	(a) --- (b) TBD	(a) --- (b) ---
<b>Status</b>	(a) Exceeded (b) N/A	(a) Exceeded (b) N/A	(a) Exceeded (b) N/A	(a) --- (b) N/A	(a) --- (b) ---

**Performance Goal 3.1.2:** Percentage of survey respondents who are satisfied or very satisfied with the timeliness of administrative operations.

The FTC Office of the Executive Director (OED) conducts an annual online Customer Satisfaction Survey. The survey is voluntary, anonymous, and offered to all FTC employees. Respondents are asked to indicate their level of satisfaction on a 5-point scale of Very Satisfied to Very Dissatisfied related to services provided by OED Offices. This measure tracks the level of satisfaction with the responsiveness of the Administrative Services Office to phone and email requests (Question #34).

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	Baseline	TBD
<b>Actual</b>	N/A	N/A	82%	TBD	---
<b>Status</b>	N/A	N/A	N/A	---	---

**Performance Goal 3.1.3:** Achieve a favorable (unmodified) audit opinion from the agency's independent financial statement auditors.

FTC management is responsible for the preparation and fair presentation of annual financial statements in accordance with U.S. generally accepted accounting principles. As required by law, the FTC's financial statements are audited annually by independent auditors. The auditors will determine whether the Annual Financial Statements and related notes present fairly, in all material respects, the assets, liabilities, and net position in accordance with U.S. generally accepted accounting principles. The ideal outcome is an unmodified or clean opinion. Potential negative outcomes include a qualified or adverse opinion or a disclaimer from opinion.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	Unmodified opinion on the financial statements	Unmodified opinion on the financial statements	Unmodified opinion on the financial statements	Unmodified opinion on the financial statements	Unmodified opinion on the financial statements.
<b>Actual</b>	Unmodified opinion	Unmodified opinion	Unmodified opinion	---	---
<b>Status</b>	Met	Met	Met	---	---

**Performance Goal 3.1.4:** Percentage of new entrant, annual, and termination Public Financial Disclosure Reports that are filed within the required timeframe.

Ensuring public confidence in the integrity of FTC operations is paramount. The Ethics in Government Act of 1978, as amended, requires senior FTC officials to file public financial disclosure reports (OGE Forms 278e) addressing their finances as well as other interests outside the federal government. The reports allow for a systematic review of the financial interests of both current and prospective senior staff and the timely filing of the OGE Form 278e helps prevent actual conflicts of interest and ensures the FTC’s Ethics Team is able to identify and address potential conflicts. This measure will track the percentage of public disclosure reports that filed within the required timeframe. Timeframes vary based on the type of required filing, and the FTC’s Ethics Team may grant limited extensions of the filing deadline for good cause.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	Baseline	TBD
<b>Actual</b>	N/A	N/A	N/A	TBD	---
<b>Status</b>	N/A	N/A	N/A	N/A	---

**Performance Goal 3.1.5:** Percentage of contract actions awarded within FTC’s established Procurement Action Lead Time (PALT).

Awarding government contracts, orders, and modifications takes a tremendous amount of staff time. To measure the efficiency of our acquisitions branch, this measure tracks the percentage of contract actions finished within established lead times. The lead time varies depending on the type of contract.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	Baseline	TBD
<b>Actual</b>	N/A	78%	65%	TBD	---
<b>Status</b>	N/A	N/A	N/A	N/A	---

**Objective 3.2 Cultivate a high performing, diverse, and engaged workforce.**

**Goal Leaders:** Executive Director, Office of the Executive Director; Director, Bureau of Consumer Protection; Director, Bureau of Competition; Director, Bureau of Economics; General Counsel, Office of General Counsel

**Strategies**

- Use integrated workforce planning to identify and fulfill current and future human capital needs to carry out the agency’s mission and implement programs and processes to enable the agency to recruit, develop, and retain a highly qualified and diverse workforce.
- Strive to create an agency-wide performance culture that focuses on individual and organizational accountability toward achieving the FTC’s programmatic goals



and priorities. The agency also seeks to achieve this objective by providing quality training and outreach to staff.

### **FY 2018-2019 Next Steps and Future Actions for Strategic Objective**

- Expand efforts to promote improving diversity and encouraging inclusion.
  - » Partner with hiring managers to deploy recruitment and outreach strategies to attract a diverse workforce.
  - » Educate managers to increase awareness of/ and create an inclusive work environment that promotes employee engagement.
- Continue to equip managers and employees to successfully embrace change in order to drive organizational success and outcomes.
- Leverage technology.
  - » Implement HR information systems to improve and advance agency HR processes.
  - » Empower managers and employees through use of human capital automated systems and processes (i.e., personnel actions, onboarding).
- Promote and expand the use of human resources flexibilities such as telework, reasonable accommodation, and wellness programs that support employee retention.
- Continue to provide proactive support to managers, supervisors, and employees on human resources issues, through direct consultation, classroom sessions, brown bag sessions, webinars, notices to employees, the agency's newsletter (FTC Daily), and an HCMO Internet page that provides the most up to date content for FTC staff.

### **External Factors**

- Funding levels in a constrained budget environment, as well as delays in annual appropriations, have the potential to adversely affect implementation of human capital strategies and programs.
- Changes in the economy have a direct impact on our agency's ability to attract and retain its workforce. Good job markets have led staff to seek more lucrative opportunities at other higher-paying agencies or in the private sector.
- The agency has to stay abreast of, and try to compete as best it can with, the benefits offered by the private sector and sought by the 21st century workforce.

## Performance Goals

<b>Performance Goal 3.2.1:</b> The extent to which FTC employees consider their agency to be a best place to work.					
Employee satisfaction is measured by averaging the results from three questions on the Federal Employee Viewpoint Survey (FEVS). Measuring the overall job satisfaction of FTC employees provides managers with important information regarding employees' general satisfaction with their organization and the work they do. Overall job satisfaction is closely correlated with employee retention.					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	Exceed the government-wide average results.	Exceed the government-wide average results.
<b>Actual</b>	79.2%	81.2%	82.9%	---	---
<b>Status</b>	N/A	N/A	N/A	---	---

<b>Performance Goal 3.2.2:</b> The extent employees believe the FTC encourages an environment that is open, diverse, and inclusive.					
The New IQ Index of the FEVS determines this measure. The Index gauges the extent to which employees believe the agency has policies and programs that promote a work environment that is open, diverse, and inclusive. This includes having managers support creativity and innovation and a workforce that is representative of all segments of society. The New IQ Index identifies behaviors that help create an inclusive environment and is built on the concept that repetition of inclusive behaviors will create positive habits among team members and managers. Workplace inclusion is a contributing factor to both employee engagement and organizational performance.					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	58%	60%	Exceed the government-wide average results.	Exceed the government-wide average results.
<b>Actual</b>	70.2%	75.0%	77.8%	---	---
<b>Status</b>	N/A	Exceeded	Exceeded	---	---

**Key Performance Goal 3.2.3:** The extent to which employees believe the FTC cultivates engagement throughout the agency.

The Employee Engagement Index (EEI) of the FEVS determines this measure. The Index gauges the extent to which employees believe that management listens and provides meaningful support and feedback in various areas that assist staff in supporting the overall mission of the agency. The index is compiled from questions across three sub factors: Leaders Lead, Supervisors, and Intrinsic Work Experience.

- Leaders Lead: Employees' perceptions of leadership's integrity, as well as leadership behaviors such as communication and workforce motivation.
- Supervisors: Interpersonal relationship between worker and supervisor, including trust, respect, and support.
- Intrinsic Work Experience: Employees' feelings of motivation and competency relating to their role in the workplace.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	Exceed the government-wide average results.	Exceed the government-wide average results.
<b>Actual</b>	78.5%	81.5%	82.5%	-----	-----
<b>Status</b>	N/A	N/A	N/A	-----	-----

**Performance Goal 3.2.4:** The extent to which employees believe FTC management promotes a results-oriented performance culture.

The Results Oriented Performance score of the FEVS determines this measure. The score indicates the extent to which employees believe their organizational culture promotes improvement in processes, products, and services, and organizational outcomes.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	Exceed the government-wide average results.	Exceed the government-wide average results.
<b>Actual</b>	65.0%	70.4%	72.9%	---	---
<b>Status</b>	N/A	N/A	N/A	---	---

## Other Indicators

<b>Indicator 3.2.IND.1:</b> Percentage of eligible FTC employees who have telework agreements.			
This indicator will provide information on overall employee participation in the FTC telework program. Telework is a valuable tool that supports workplace flexibility by allowing an employee to perform work during any part of regular, paid hours, at an approved alternative worksite (e.g., home, telework center). It is an important tool for achieving a resilient and results-oriented workforce.			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Actual</b>	N/A	N/A	N/A

<b>Indicator 3.2.IND.2:</b> Number of requests for reasonable accommodations resolved through the FTC's reasonable accommodations process.			
This indicator will track the resolution of requests for reasonable accommodation submitted to the HCMO Disability Program Manager by FTC employees or job applicants with permanent or temporary disabilities that affect the performance of their job duties. Tracking this data helps ensure the agency is in compliance with the policies and procedures outlined in the Administrative Manual, Chapter 3: Section 300 - Disability Anti-Discrimination Policy and Reasonable Accommodation Procedures.			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Actual</b>	N/A	N/A	N/A

<b>Indicator 3.2.IND.3:</b> Average number of days to issue a certificate of eligible candidates to a hiring manager.			
This indicator will track the average number of days it takes for HCMO Human Capital (HC) specialists to issue a certificate of eligible candidates to hiring managers after a job opportunity announcement has closed. The ability to provide a list of eligible job candidates in a timely manner enables managers to continue to meet the FTC mission by filling vacant positions with qualified persons as quickly as possible.			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Actual</b>	N/A	N/A	N/A

<b>Indicator 3.2.IND.4:</b> Average number of days to make a hiring decision.			
This indicator will track the average number of days between the date hiring managers receive a certificate of eligible candidates and the date managers return hiring certificates to HCMO for processing after a hiring decision has been made. When managers review qualifications, interview and evaluate eligible candidates, and make final hiring decisions in a timely manner, HC specialists are more likely to have offers accepted by the hiring managers' top candidates.			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Actual</b>	N/A	N/A	N/A

### **Objective 3.3 Optimize technology and information management that supports the FTC mission.**

**Goal Leader: Executive Director, Office of the Executive Director**

#### **Strategies**

- Execute a unified IT Modernization Program to ensure all IT initiatives are strategically aligned and reduce the cost of commodity IT services through cloud-based and shared solutions, redirecting savings to mission-focused litigation support solutions.
- Use government-wide acquisition contracts (GWAC) and secure cloud providers to reduce cost and speed implementation of modernization efforts.
- Focus on security, documentation, and process improvements necessary to advance the FISMA maturity of the FTC.
- Improve agency IT services by creating resilient and available services, consolidating management and increasing utilization of IT resources, and investing in new technologies to advance the FTC's mission.
- Continue the transition to electronic information resource management and electronic recordkeeping and manage FTC records in accordance with the Managing Government Records Directive M-12-18.
- Implement an Enterprise Content Management (ECM) system to allow staff to work collaboratively and to manage information throughout its lifecycle.

#### **FY 2018-2019 Next Steps and Future Actions for Strategic Objective**

- Identify and implement business process improvements through effective use of technology to facilitate the agency's decision-making processes and management of its cases.
- Provide records and information management training and outreach to staff, with special emphasis on managing information electronically throughout its lifecycle.
- Continue to develop an agency-wide information governance policy to support efficient management of electronic information with appropriate access restrictions.
- Implement the final rule, recently issued by the National Archives and Records Administration (NARA), that establishes uniform executive-branch wide standards for designating, handling and decontrolling Controlled Unclassified Information (CUI).

- Develop service-level strategies and identify the resources, activities, and projects required to modernize, improve performance, and increase availability of core IT services.
- Design and begin implementation of a modernized communications infrastructure that supports the migration of FTC systems to external cloud environments and increases reliability and availability of FTC networks.
- Migrate mission-critical litigation support and economic applications and systems to externally hosted cloud environments to improve performance and decrease risk of system downtime or failure.
- Improve end-user productivity and mobility through the issuance of new laptops and mobile devices with upgraded operating systems and office productivity applications.

### **External Factors**

- The ability to make the significant technology investments that will be required to modernize, including investments in an ECM system, may be affected by resource constraints.
- Federal mandates and guidance may limit available information management solutions and delay cloud-based modernization efforts.
- Evolving information security threats will affect IT modernization efforts and the FTC's overall risk posture. The FTC will continue to mature its processes and documentation surrounding information security and risk management to monitor and mitigate risks associated with IT modernization efforts as part of a comprehensive IT risk management program. The FTC will also continue to standardize security controls across systems to decrease complexity and risk.

## Performance Goals

<b>Performance Goal 3.3.1: Availability of information technology systems.</b>					
<p>Information technology systems must be available and accessible to support the FTC mission. Lack of availability and accessibility severely constrain employees and managers' ability to serve the public and stakeholders. This measure tracks service outages and monitors the uptime of 11 critical information technology services, as well as the agency's infrastructure backbone, including:</p> <ul style="list-style-type: none"> <li>• Email</li> <li>• FTC-specific applications and systems</li> <li>• Wireless services</li> <li>• Internet</li> <li>• Intranet</li> <li>• Phone and Voicemail</li> <li>• Wide Area Network</li> <li>• The agency's primary public website (www.ftc.gov)</li> <li>• Litigation support applications and systems</li> <li>• Economic support systems</li> <li>• Remote employee access</li> </ul> <p>Note: While this metric has been reported for several years, beginning in FY 2018 the OCIO will start including planned outages in its measure of system uptime.</p>					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	99.5%	99.5%
<b>Actual</b>	N/A	N/A	N/A	---	---
<b>Status</b>	N/A	N/A	N/A	---	---

<b>Performance Goal 3.3.2: Percentage of IT spend on Provisioned IT Services.</b>					
<p>This measure tracks the agency's progress in moving IT services to the cloud. Transitioning to cloud-based services is a key component of OCIO's Strategic Plan and will benefit the FTC through increased flexibility, dependability, and, ultimately, cost savings.</p>					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	Baseline	TBD
<b>Actual</b>	N/A	N/A	N/A	TBD	---
<b>Status</b>	N/A	N/A	N/A	---	---

**Performance Goal 3.3.3: Achieve a favorable rating in the FTC Cybersecurity Index.**

This measure monitors the agency’s progress in achieving multiple critical cybersecurity metrics, each of which measures the agency’s cybersecurity posture and strength in protecting the confidentiality, integrity, and availability of information systems. The cybersecurity metrics that go into this Index are:

- % of major systems with a valid authority to operate (ATO). Measures the number of major IT systems with a valid ATO, documenting review of system security controls and review and acceptance of system risks.
- % of GFE workstations with below the “acceptable” vulnerabilities threshold. Measures the number of GFE workstations with critical and potentially exploitable vulnerabilities, indicating the agency’s risk level for cyberattacks. This is a measurement of the most frequently compromised assets.
- % of GFE workstations scanned monthly. Measures the number of GFE workstations scanned to ensure vulnerabilities are addressed in a timely manner based on risk and impact. Leading indicator on the repeatability and effectiveness of the vulnerability assessment and remediation processes.
- % of GFE workstations patched within 30 days. Measures the number of GFE workstations patched within 30 days, which reduces the window of opportunity to exploit vulnerabilities.
- % of assets with valid baseline configuration. Measures the number of assets with a documented and validated baseline configuration. This is an indication of how well the IT environment is known and secured. Undocumented assets cannot be effectively secured.
- % of GFE workstations deviating from baseline configuration. Measures the number of GFE workstations that deviate from that baseline without a documented risk acceptance. This is an indicator of the effectiveness of the configuration management process.
- % of unprivileged users using multi-factor authentication. Measures the number of unprivileged (i.e. general FTC staff) using multi-factor authentication to access the FTC network, decreasing the risk of unauthorized access to agency systems
- % of privileged users using multi-factor authentication. Measures the number of privileged (i.e., system administrators with elevated system rights) using multi-factor authentication to access the FTC network, decreasing the risk of insider threat and unauthorized access to highly sensitive data.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	Baseline	TBD
<b>Actual</b>	N/A	N/A	N/A	TBD	-----
<b>Status</b>	N/A	N/A	N/A	-----	-----



**Performance Goal 3.3.4:** Percentage of permanent records that are managed electronically.

In accordance with 36 C.F.R. Chapter XII and OMB M-12-18 (Managing Government Records Directive), Federal agencies must manage permanent records electronically by December 31, 2019, and transfer all historical records that have been in existence for more than 30 years to the National Archives and Records Administration (National Archives). This measure will track our progress in determining what matters are of historical significance and making sure those records are managed electronically, in order to comply with these federal regulations and the OMB Directive.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Target</b>	N/A	N/A	N/A	Baseline	TBD
<b>Actual</b>	N/A	N/A	N/A	TBD	---
<b>Status</b>	N/A	N/A	N/A	---	---

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## OTHER INFORMATION

### MAJOR MANAGEMENT PRIORITIES AND CHALLENGES

The GPRA Modernization Act of 2010 (GPRAMA) and OMB Circular No. A-11 require agencies to describe their major management priorities and challenges and identify planned actions to address them. In this section, the FTC describes progress made on FY 2017 management priorities and planned actions to support FY 2018 management priorities. Following the section on management priorities is a description of the OIG identified management challenges and the agency official responsible for addressing them. The management challenges and the agency response provided in this section were previously published in the agency's FY 2017 AFR. Agency milestones to address these challenges also are included.

### FY 2017 Management Priorities

The FTC's management priorities directly align with and support Strategic Goal 3: Advance Organizational Performance and the strategic objectives 3.1 Optimize Resource Management and Infrastructure and 3.2 Cultivate a High-Performing, Diverse, and Engaged Workforce. The five priorities below include active projects and metrics identified to ensure continued progress and to track results.

- OED Employee Experience & Talent Management (EE&TM) focuses on leading, managing, and developing people. The FTC worked to recruit, retain, and develop, a highly motivated, engaged, and successful workforce. In FY 2017, OED continued to track goals related to employee satisfaction and engagement, diversity and inclusion, training, and telework.
- Customer Experience & Service (CE&S) focuses on customer satisfaction with the services OED offers. In FY 2017, this priority was measured by an OED Customer Satisfaction Survey and action plans were developed to address challenges and opportunities identified in the survey.
- Risk Management and Internal Controls (RM&IC) helps to maintain effective and robust ERM practices. In FY 2017, offices participated in the ERM planning and implementation process, including the identification of risk measure triggers and risk management strategies to be implemented when trigger events occur for identified risks.
- Delivering Core Services & Operations ensures that key services have defined service levels, that mechanisms are in place for measuring performance against service levels, and that overall service levels are achieved. In FY 2017, OED launched an internal electronic catalog of key services to the agency. The catalog serves as a one-stop-shop for information about the services OED provides, including key contacts and a mechanism to provide service owners with ongoing feedback.

- Delivering High Priority Projects & Initiatives ensures that high priority projects and initiatives are included in OED's work plan along with estimates of required resources, milestones, and an explanation of importance. In FY 2017, 83% of projects with approved baselines are expected to be successfully completed.

### FY 2018 Planned Management Priorities

The FTC's management priorities emphasize the importance of mission-focused strategies in human capital, skills development, customer satisfaction, and continuous improvement of key processes. The priorities below include active projects identified to ensure continued progress.

- **Partnership for Public Service Leadership Development Program:** The Commission again partnered with the Partnership for Public Service in a leadership development program. The agency recognizes the need to identify a cadre of high-performing individuals and develop their skills as our future supervisors, managers, and leaders. The program serves as an important succession planning tool to fulfill the FTC's future mission requirements and provides an exceptional professional development opportunity for employees.
- **Leadership Framework:** The agency implemented a Leadership Framework that assists employees at the different levels of leadership (managing self, team lead, supervisor, manager, and executive) develop the competencies needed for each level. The courses and books associated with those competencies are available on the agency's Learning Management System, at no cost, for all employees to utilize. This tool was developed in an effort to assist employees to develop and strengthen their leadership skills and help the agency cultivate its current and future leaders.
- **BCP and BC Mentoring Programs:** BCP and BC have focused attention on the continuous development of their employees through their mentoring programs. BCP and BC have successfully completed four formal mentoring programs open to all BCP, BC, and regional office employees. The programs create an environment in which unique skills and perspectives that each staff member brings are recognized and valued; diversity is fostered; and excellence, innovation, and risk-taking are promoted. The Mentoring Programs provide significant opportunities to build and share organizational knowledge and expertise by capitalizing on the experiences of successful individuals who are committed to the development of a high performance work force. The Bureaus continuously evaluate their mentoring programs to ensure a meaningful experience for each participant. BC and BCP also have in-house training programs that, like the mentoring programs, leverage the talent and experience of the agency's existing human capital to identify appropriate programs and develop content.
- **Office of the Executive Director (OED) Mentoring Program:** OED's mentoring program is in its fourth year and has received very positive feedback from both mentors and mentees. Participants form lasting bonds with colleagues beyond the bounds of the formal program, learn about the very different kinds of work done in the five OED offices and across the Commission, and attend facilitated work-

shops that address such topics as raising one's emotional intelligence, becoming resilient, building trust, and exercising leadership.

- **OED Employee Experience & Talent Management:** focuses on leading, managing, and developing people. The FTC will work to recruit, retain, and develop a highly motivated, engaged, and successful workforce. In FY 2018, OED will continue to track goals related to employee satisfaction and engagement, diversity and inclusion, training, and telework.
- **Customer Experience & Service:** focuses on customer satisfaction with the services OED offers. In FY 2018, this priority will be measured by an OED Customer Satisfaction Survey and action plans will be developed to address challenges and opportunities identified in the survey.
- **Delivering Core Services & Operations:** ensures that key services have defined service levels, that mechanisms are in place for measuring performance against service levels, and that overall service levels are achieved. In FY 2017, OED launched an internal electronic catalog of key services to the agency, which now includes more than 100 services. The catalog serves as a one-stop-shop for information about the services OED provides, including key contacts and a mechanism to provide service owners with ongoing feedback.
- **Delivering High Priority Projects & Initiatives:** ensures that high priority projects and initiatives will be included in OED's work plan along with estimates of required resources, milestones, and an explanation of importance.

## OIG Management Challenges

The OIG identified three management challenges in FY 2017. The challenges and the agency response in meeting the challenge are provided as published in the FY 2017 AFR. Milestones were added for this publication.

### **Challenge One: Securing the Agency's Information Systems and Networks from Destruction, Data Loss, or Compromise**

#### **Responsible Official: Executive Director, Office of the Executive Director**

The information security and privacy environment is fluid and ever-changing, which means that protecting information assets remains an ongoing and complex challenge for the FTC. The volume and scope of information the FTC routinely acquires and must protect is increasing, and threats are becoming more numerous and pervasive. The FTC cannot effectively accomplish its mission if industry and the public lack confidence that the FTC can protect proprietary information, personally-identifiable information, and other sensitive non-public information entrusted to its care.

The FTC OIG assists by assessing FTC information control procedures, including its annual Federal Information Security Modernization Act of 2014 (FISMA) evaluation of FTC information security and privacy programs. These assessments provide management with an independent, high-level determination of the FTC's ability to protect its

information assets; securely and cost-effectively acquire, implement, and manage modern technologies; and maintain a skilled workforce versed in technology and the need to protect information assets.

In its FY 2015 and FY 2016 FISMA evaluations, the OIG recognized the FTC improvements taking place and continued to advocate for continuous monitoring and management improvements. The recommended improvements are intended to improve management's security and privacy planning and oversight while reducing costs through an evolving Continuous Monitoring Management and process improvement system.

In FY 2016, the Office of Management and Budget (OMB), the National Institute of Standards and Technology (NIST), the Department of Homeland Security (DHS), and the OIG community, working through the Council of the Inspectors General on Integrity and Efficiency (CIGIE), continued implementation of an information security "maturity model." The maturity model is intended to provide an assessment of the status of an agency's information security program as well as the agency's capability to enhance the resilience and capability of its information security program. The FTC OIG tailored its FISMA evaluation to align with the maturity model approach and to the FTC's mission, organizational culture, size, and technology architecture.

The results of the FY 2016 FISMA evaluation showed that, while the FTC is improving its capabilities to protect its information assets and modernizing its technology, the maturity of its information security program was not advancing. As the OIG's prior assessments concluded, while the FTC responds quickly to mitigate identified specific vulnerabilities and threats and FTC staff recognize and value information security and privacy, its documentation of policies and procedures and monitoring of the information security environment is deficient. Use of the OMB/DHS FISMA criteria highlights these deficiencies because the maturity model emphasizes the need for a formalized program that is consistently monitored and improved.

We also determined in FY 2016 that the FTC Information Technology (IT) and modernization planning and acquisition documents as of September 30, 2016, did not demonstrate the disciplined planning necessary for compliance with Federal Acquisition Regulation principles, or with Office of Management and Budget (OMB) and FTC requirements and guidance for such a complex activity; nor did the documents demonstrate a risk-based approach where information security, privacy, and performance risks were identified or considered, or where appropriate mitigations were planned. These deficiencies did not adversely affect the FTC's current ability to protect FTC information assets, but are indicative of a security environment with decreasing effectiveness. For example, the OIG's concerns with management's decision to proceed with a multi-year IT modernization plan without having policies and procedures in place for configuration management were realized in August 2017, when the agency experienced an email

outage that affected all FTC staff, contractors, and customers using email and mobile email.

The FTC's practice of correcting information security weaknesses after a problem occurs, characteristic of a Level 2 – Defined program, needs to be advanced to higher maturity levels where programed/automated processes and management oversight anticipate issues and take preventive action before FTC operations and missions experience disruption.

The FTC is working to improve its information security processes and planning. Concurrently, the agency must maintain the integrity and availability of its information assets as it continues to modernize its information systems, reorganize its information technology support staff, respond to new security requirements, and continue to provide reliable mission support. Successfully addressing competing requirements for staff and technology resources will require the continued attention of FTC senior and executive management and a focus on building an information security program on defined, repeatable processes. Information security processes must be repeatable, continually monitored and improved if the FTC is to continue to perform its missions while protecting its information assets and controlling costs.

### **Agency Progress in Addressing the Challenge**

As a result of the evolving changes to the cybersecurity landscape, FTC determined to devote additional resources to address its information security program gaps. In 2017, OCIO hired a seasoned federal Chief Information Security Officer to lead the agency's cybersecurity efforts. Recently, OCIO also received approval to recruit additional FTEs, which recruitment effort is currently ongoing. The new FTEs will, among other things, revise policies and procedures to align with the plan to take advantage of federal programs such as Fed RAMP approved cloud services, interagency-shared services, and other initiatives such as the Department of Homeland Security's Continuous Diagnostics and Mitigation program; efforts that will not only allow the agency to provide improved services to agency users but improve the agency's IT security posture as well. In addition, the FTC will focus its initial continuous monitoring efforts on implementing CAP goals and managing IT assets in the following technical areas: hardware and software management, vulnerability management, configuration management, and privileged user management. These are multiyear projects and will be implemented and managed consistent with anticipated, but not yet issued, guidance from OMB.

Finally, while the FTC agrees that revising its configuration management policies and procedures is a priority and integral to the success of its IT modernization efforts, completion of this work would not have prevented the email outage the agency experienced in August, as the OIG suggests. The root cause for the outage as identified in the Exchange Email After Action Report was a defective antivirus update. This sort of

change is one that would never be subjected to the configuration management process as the time required for, and likely benefit obtained from, such a review would be outweighed by the risk of failing to immediately implement any antivirus update.

**Key Milestones to Address this Challenge:**

- Q2 FY 2018 – Revision of the IT policies
- Q3 FY 2018 – Install On-Premise DHA Continuous Diagnostic Mitigation (CDM) Applications
- Q4 FY 2018 – Revision of the IT procedures
- Q4 FY 2018 – Provision Agency Accounts for CDM
- Q1 FY 2019 – Finalize Deployment of CDM

**Challenge 2: Accelerating the Maturity of the Agency’s Information Technology Governance Process**

**Responsible Official: Executive Director, Office of the Executive Director**

The FTC depends on IT to perform its missions and associated business objectives. In accordance with federal law, the Chief Information Officer (CIO), in coordination with FTC Bureaus and Offices and appropriate governance boards, defines processes and policies to address information resources appropriately.

At the end of FY 2011, the FTC chartered an IT Governance Program with three governance boards to improve the planning, monitoring, and risk mitigation associated with its information systems. Over the past several years, the FTC improved its IT governance procedures to address increasing threats, changes in government-wide policy and guidelines, and constrained budgets. As reported in the OIG independent Federal Information Security Modernization Act of 2014 (FISMA) evaluations for FYs 2012, 2014, and 2015, the FTC improved its governance policies, procedures, and technical guidance and expanded its use of Capital Planning and Investment Control (CPIC) and investment analysis techniques. In FY 2013, the FTC governance maturation slowed because of needed focus on office consolidations and accommodating policy and priority changes resulting from senior and executive management turnover.

Maturation of the FTC governance process improved planning consistency, oversight, and risk-based decision-making. Similarly, the expansion of Governance Board roles increased Board Member participation in linking investments to business needs and analyzing risks and developing mitigation approaches. For example, recognizing the potential enterprise-level impact of minor FTC IT projects, the Governance Board added “risk” as a requirement for Board review, in addition to the Federal Acquisition Regulation (FAR) cost criteria. Thus, under FTC governance procedures, an investment or project with a high security or performance risk that might affect the FTC’s reputation is subject to Governance Board oversight, regardless of investment cost.



In FY 2016, the FTC initiated an effort to improve Office of the Chief Information Officer (OCIO) support operations and accelerate the maturation of its IT Governance program. Key elements of this effort were the reorganization of the OCIO to align support components with business needs and the development of a *Strategy and Transition Plan Security and Technology Services* (IT Strategy). The OCIO completed its reorganization in FY 2016 and issued the IT Strategy on September 30, 2016. While the OCIO conducted activities related to the reorganization and IT Strategy in FY 2016 (e.g., revision of policies, procedures, and support systems), management does not anticipate the impact of FTC improvement efforts from the IT Strategy until FY 2017 or later. This determination affected the FY 2016 FISMA evaluation in that the FISMA Maturity levels focus on the current state (in place policies and practices) for Maturity Levels 1 through 3, and the future or target state for Maturity Levels 4 and 5. Consequently, the OIG FY 2016 FISMA evaluation presented a description of the FTC current state information security environment as strong and robust relative to its ability to protect its information assets, with no concerns specific to the FTC privacy program.

In its FY 2016 evaluation, the OIG assessed the FTC IT Strategy and its planned implementation. The evaluation identified weaknesses in the IT Strategy, its proposed implementation, and associated policies and procedures. The OIG concluded that –

While the FTC made significant efforts to improve its governance practices, modernization planning and acquisition documents provided as of September 30, 2016, did not demonstrate the disciplined planning necessary for compliance with Federal Acquisition Regulation (FAR) principles, Office of Management and Budget (OMB), and FTC requirements and guidance for such a complex activity; nor did the documents demonstrate a risk-based approach where information security, privacy, and performance risks were considered and appropriate mitigations were evaluated and planned.

The OIG identified the FTC IT Strategy (initiated in FY 2016) as a high-risk project, given its mission impact and estimated cost, warranting increased oversight. Accordingly, early in its FY 2017 FISMA evaluation, the OIG collected information allowing assessment of the agency's progress in securely executing its IT Strategy. The OIG's objective was to identify potential concerns or weaknesses and raise them to FTC management for resolution before there is an adverse impact on FTC information assets, mission, or reputation. The OIG determined that the IT Strategy implementation was not proceeding in a manner that reduced performance risks. Further, the FTC's failure to recognize the relevance of legacy policies and procedures to maintaining effective security increases the adverse impact to FTC information assets.

In FY 2016, the OCIO initiated actions to address the challenge of Accelerating the Maturation of the FTC IT Governance process. Unfortunately, while these actions contributed to mitigating some specific areas of concern, they did not advance the IT Governance process. Part of the problem is timing: the OCIO issued the IT Strategy on September 30, 2016 -- the very end of FY 2016. The IT Strategy schedule proposed

performance through the entire FY 2016 to FY 2019 timeframe. While FTC performed some IT Strategy-related activities in FY 2016, it delayed some critical activities (e.g., issuance of the supporting contract vehicle). Further, as shown by the OIG evaluation of IT Strategy efforts conducted in FY 2017, the lack of progress appears to be the result of inadequate planning and the solution approaches pursued. For example, the FISMA Maturity Model stresses the use of formalized processes and procedures and documented, risk-based decisions. The IT Strategy assumes that planning artifacts such as an enterprise architecture that describes the baseline architecture, target architecture, and a transition plan to get to the target architecture will be developed as the modernization project progresses. Thus, the FTC is seeking to acquire components for an enterprise architecture that has not been defined.

The following are the OIG assessments of the challenges associated with the FTC's Governance maturation activities identified for FY 2016 performance and their status as of August 31, 2017:

- **Updated Governance Charter:** The current Information Technology Governance Program Charter is dated August 20, 2014. The 2014 Charter focused on the processes and Boards specific to the evaluation and assessment of the FTC information technology environment. The FTC has drafted a policy, identified as the replacement for the 2014 Charter, titled *Information Technology Governance Administration Policy (IT Governance Administration Policy or Policy)*, that is scheduled for completion in September 2017. Our review of the OCIO draft *Policy* shows that OCIO wrote it from a responsibility and authority perspective, as opposed to the procedural focus of the 2014 Charter. Further, the *IT Governance Administration Policy* identifies a number of policy management authorities and advisory councils without describing their relationship to the existing Governance Board structure. Thus, the draft policy does not provide for continuity of in-process Governance Board activities, increasing the performance risk to IT investments.
- **TechStats:** As defined in OMB Circular A-130, a "TechStat" is a face-to-face, evidence-based accountability review of an IT investment that enables the Federal Government to intervene to turn around, halt, or terminate IT projects that are failing or are not producing results for the American people." The FTC is now successfully using TechStats to evaluate problem areas, but its efforts have largely focused on specific system-level problems (e.g., mobile phones or issues with legal discovery products) as opposed to the Governance Process. Thus, while the FTC's use of the TechStat process is a valuable tool, it has not had a significant impact on maturing the Governance Process. The FTC could use the TechStat process to analyze the governance process itself and the investments monitored by the Governance Boards. For example, the IT Strategy, the FTC Enterprise Architecture, and the FTC contingency planning program are all appropriate candidates for TechStat reviews because they could provide the analysis necessary to ensure that the FTC is maximizing the use of its IT investments.

- **IT Strategy and Transition Plan (IT Strategy):** The OCIO characterizes the FTC IT Strategy and Transition Plan as a significant contributor to the maturation of FTC IT Governance. The Risk and Policy Management Team described in the IT Strategy conducts continuous review and analysis of business practices, with the goal of improving decision-making. The Risk and Policy Management Team is also responsible for governance processes and procedures and for ensuring that IT decisions are made in partnership with business stakeholders. The anticipated results are “increased transparency agency-wide of performance gains, challenges, and actions underway to correct deficiencies,” and assurance that policies and procedures are assessed for effectiveness and impact on the budget, performance, and operations services.

The OCIO planned for the multi-year IT Strategy to result in significant improvements in FTC IT Governance. However, in FY 2017, the IT Strategy had little positive impact on the maturation of IT Governance. A cornerstone of the IT Strategy is the use of blanket purchase agreements (BPA), under which the FTC will acquire cloud resources and related services. The IT Strategy called for award of the BPAs for the fourth quarter of FY 2016; however, the BPA award will not effectively occur before the first quarter of FY 2018, making it already significantly behind schedule. Further, the FTC deferred development of an Enterprise Architecture (EA) until after the BPA award. Thus, the FTC does not have a primary information tool that could be used to help identify IT Strategy components that could be separately acquired or developed. Further, as described in OMB Circular A-130, the EA should align business and technology resources to achieve strategic outcomes. The process of describing the current and future state of the agency and laying out a plan for transitioning from the current state to the desired future state helps agencies eliminate waste and duplication; increase shared services; close performance gaps; and promote engagement among Government, industry, and citizens. The lack of an EA “that describes the baseline architecture, target architecture, and a transition plan to get to the target architecture” presents a substantial performance risk to successful completion of the FTC IT Strategy. This remains a major management challenge for the FTC.

In FY 2017, the FTC identified risks associated with its legacy IT. The FTC complicated its governance maturity efforts by stating that it accepts the risk with its aging legacy IT in order to focus on migration to cloud services. Implicit in this statement is also the acceptance that FTC may increasingly experience disruptions that compromise the capability to perform its missions and protect its information assets. A general acceptance of risk, while allowable, shows that FTC has changed its focus from maintaining a reliable, secure environment to introducing modernized services with a currently unknown structure, risk, and implementation timeframe. The FTC must recognize that it needs concurrently to manage risk to its legacy systems and their information assets while modernizing its IT. This recog-

nition must be reflected in a mature governance structure that fully supports both requirements – stable, secure in place Operations and Maintenance and successful planning and implementation of stable, secure modernized systems.

### **Agency Progress in Addressing the Challenge**

The FTC took several steps toward maturing the agency's IT governance, acquisitions and strategic planning processes during fiscal year 2017.

**IT Governance:** OCIO took numerous steps to mature and broaden its IT governance structure and operations – all to ensure that the Federal Trade Commission's IT risk management activities support a management framework of organization, mission processes, and information systems consistent with guidance in NIST Special Publication 800-39, *Managing Information Security Risk*, Specifically, the revised structure was created to better ensure: 1) organization-wide risk awareness and management; 2) continuous improvement via stakeholder feedback; and 3) traceability and transparency of risk-based decisions.

The first major step in this process was the Chairman's designation of the CIO as the senior risk official for Information Technology. Next, the CIO designated four OCIO managers as Policy Management Authorities (PMA) to manage day to day risk and implement the requirements of OMB Circular A-130, *Managing Information as a Strategic Resource*, including managing risks, artifacts, policies, and procedures in assigned areas of policy authority. OCIO also solicited agency-wide participation on various Advisory Councils, whose members act as subject matter experts (SME) to advise the PMAs, the CIO, and Senior Agency Officials in the program areas outlined in OMB Circular A-130.

The PMAs and the Advisory Councils constitute Tier 2 of a three-tiered, escalating IT risk management structure that provides oversight required to identify, analyze, prioritize, mitigate, and manage risks and issues regarding information systems, mission processes, and the organization at each respective decision-making tier – all with the overall objective of continuous improvement. For example, when system owners and authorizing officials (Tier 3) are unable to resolve information systems risks and issues, or issues are determined to affect business processes, the risk or issue is escalated to the PMAs (Tier 2) and the appropriate IT Advisory Council to apply resources and decision-making strategies. Similarly, if the risk or issue cannot be prioritized or mitigated by the Tier 2 PMA governance bodies, or the criticality of risk is such that it affects the organization and requires decision-making or resources not available to the PMAs, the risk or issue is escalated to Tier 1 and the Senior Agency Officials who sit on the Enterprise Risk Management governing body, the Senior Management Council (SMC) for analysis and decision-making. The SMC may choose to accept, mitigate, or transfer the risk or modify the IRM Strategic Plan to manage the risk.

Finally, an IT risk register was established to ensure that the PMAs and the IT Advisory Councils have insight into project risk and issues. The PMAs conduct weekly risk reviews and make decisions regarding risk mitigation. Risks are escalated to the agency's SMC senior risk management officials based on the severity, likelihood and impact.

These escalated risks are presented as part of the SMC meetings, which focus on, not only IT risks, but also overall agency risks. Depending upon changes in the risk landscape, the IRM, the agency risk profile, or strategic initiatives may require adjustment. The SMC, the CIO, and PMAs will communicate changes in the IRM and agency risk profile to stakeholders, Advisory Council members, and system owners to guide their IT risk management activities.

The new governance structure is intended to streamline decision-making, and broadened the IT governance scope beyond development, modernization and enhancement (DME) investments. It is also intended to ensure that IT, which is integral to the work of the agency, and the risks it poses to organization or mission are properly considered as part of Enterprise Risk Management for the agency. The new structure provides transparency throughout the agency regarding IT operations, maintenance, security, staffing, and budgeting, which directly influences the success of DME projects.

Because the voting members of the SMC, the agency's senior risk review board, is made up of those who served as members of the prior IT Governance Board (i.e., the CIO, Deputy Directors of the Bureau of Economics (BE), the Bureau of Competition (BC) and the Bureau of Consumer Protection (BCP); the Chief Privacy Officer, the Chief of Staff, the Executive Director) there were no specific transition efforts that had to be undertaken to move the Governance Board's functions/responsibilities and on-going projects to the broader SMC board that has responsibility for Enterprise Risk Management for the agency. Although these IT governance process improvements were not formally presented as a "TechStat," (although OCIO has no objection to conducting such sessions for non-investment changes or issues going forward) these changes were presented to, and/or vetted extensively before implementation with, stakeholders throughout the agency. The CIO met with and discussed these proposed changes with the Chairman, the IT Governance Board members, the SAT, appointed representatives to the newly formed IT Advisory Councils, members of the FTC community who attended in In the Know With CIO forums, and others who provide input regarding the business risk associated with IT policy revisions and operational and functional changes. Finally, OCIO drafted a policy revision to the Administrative Manual reflecting these changes in IT governance, which is undergoing final review before publication.

**Strategic Planning/Enterprise Architecture:** The IRM Strategic Plan, which is targeted for completion in in Q1 FY 2018, will supersede the current IT Strategy and Transition Plan. The finalization of the agency's IRM Strategy is a continuation of the current IT Strategy; building on progress already made, and will support further improvement in the areas of IT governance and planning. The plan will establish a five-year strategy for modernizing the agency's information technology portfolio, proposing a target architecture with a focus on high availability cloud environments, increased mobility, and greater emphasis on mission IT needs. In order to capture a cohesive agency view, in development of the plan, OCIO has met with Offices and Bureaus across the agency to document their needs. Again, while a TechStat was not held on the IRM, the draft IRM

Strategic Plan was briefed to the responsible PMA/ Advisory Council, which recommended it approval by the SMC, which approval is pending.

The FTC approach to strategic planning is to focus on the performance outcomes. As a result, FTC is using the IRM to drive the decision-making on the target Enterprise Architecture and vehicles for IT acquisitions. This approach resulted in progress against the current IT Strategy as demonstrated by the completion of multi-factor authentication through use of Personal Identity Verification (PIV) for access to the FTC network. Progress in this area will continue with multi-factor authentication for regional office staff in FY 2018.

Implementation of the IT Strategy requires improvements to the FTC communications infrastructure. To begin the process, FTC completed a Network Modernization Business Case Analysis (BCA) in FY 2017. The Network Modernization BCA anticipated the user demands of a cloud-based solution set as discussed in the IT Strategy, and resulted in a recommendation for upcoming FTC network modernization. In FY 2017, the FTC began the development of an Enterprise Architecture (EA) program that aligns with the Federal Enterprise Architecture framework. Artifacts for the EA program are currently under development and will align IT systems and applications with agency strategic and performance goals, define the current and target state for the agency's IT footprint, and provide a roadmap for future development and modernization. These documents will establish the baseline as-is architecture. Efforts so far have focused on areas of greatest mission risk and thus have concerned documenting litigation processes through meetings with senior leadership in BC, BCP, BE, and the Office of the General Counsel. In FY 2018, the FTC plans to complete the first round of EA artifacts, further define EA governance processes, integrating security and privacy into the overall EA program.

**Acquisitions:** The planning for, drafting, and issuance of the BPA was the result of intensive, collaborative work by OCIO and the Acquisitions Division, with the support of an outside contractor. It involved, among other things, significant requirements gathering and market research. The award of the BPA has been delayed, in part, due to the large number of proposals received. This is a good problem to have, as this means industry is interested in partnering in the FTC modernization effort. Moreover, this should translate into competitive pricing and a variety of viable approaches for modernization. The IG's assertions notwithstanding, the agency has not failed to take action to manage risk, while it has accepted the risk pending implementation of its modernization plan. In parallel with its work on issuing and awarding the BPA, OCIO, and more broadly the agency as a whole, has been reviewing, documenting, and mitigating risks including those IT risks that have the potential for impact on mission services. In addition to the weekly review of risk registers described above, OCIO is actively cataloging end of life hardware and software, and has established Integrated Project Teams (IPTs)

to conduct risk assessments on the current state. The IPTs will review and assess the upgrade of end of life software and hardware and, based on mission impact and criticality, and will develop project plans to mitigate risk that will be integrated in the IRM Strategic Plan monitoring effort.

**Key Milestones to Address this Challenge:**

- Q1 FY 2018 – Senior Management Council/ITGB Review and Approval of the Information Resource Management Strategy
- Q2 FY 2018 – IT Policy Revision
- Q3 FY 2018 – Enterprise Architecture Artifacts Reviewed by Business Council
- Q4 FY 2018 – IT Procedure Revision

**Challenge 3: Improving Acquisition Planning and Contract Management**

**Responsible Official: Executive Director, Office of the Executive Director**

The FTC depends on contractor support to meet its mission needs. In FY 2015, the FTC obligated about 20 percent of its budget (approximately \$60 million) for contracts for goods and services. In FY 2016, the FTC obligated about 23 percent of its budget (approximately \$70 million) for contracts for goods and services, of which 16 percent (approximately \$50 million) was for non-FTE related IT resources. The FTC’s dependence on contractor support will continue to grow, as will the percentage of IT resources, as FTC mission requirements expand with an anticipated increase in economic activity.

Given the current economic and budgetary environment, the FTC cannot expect substantial increases in funding. It must, therefore, ensure the effective acquisition of quality goods and services that meet its needs. Implicit in accomplishing this objective is having consistent, flexible acquisition practices that ensure that goods and services are available when needed.

As recognized by the FAR, effective acquisition and management of goods and services requires a team approach between the customer with the acquisition requirements – e.g., the FTC’s Bureaus and Offices -- and the organizational component responsible for conducting acquisitions and managing contracts -- the Financial Management Office (FMO). In addition, within the Federal Government, the agency CIO is responsible for ensuring the effective specification and management of information resources.

For more than five years, the OIG has identified deficiencies in IT acquisition planning, project management, and contract management. The acquisition planning weaknesses resulted in:

- 1) poorly-defined contract functional requirements, the lack of enterprise level planning that resulted in acquisition of products not appropriately integrating with existing IT capabilities, and the lack of metrics with a user or functional focus that could demon-

strate whether delivered IT resources met contract requirements and user needs; 2) contracts that did not include the requirements and metrics necessary to identify poor performance or the tools needed to correct performance issues; and 3) Contracting Officer's Representatives (COR) without the training and resources necessary to identify and properly document and resolve poor performance issues.

In FY 2016, the FTC initiated actions to improve the FMO acquisition and contract management processes and the OCIO IT Acquisition Planning, Project Management, and Contract Management processes. Many of these planned actions have not been in place for a long enough period to allow the OIG to fully assess their impact. The summaries below provide the OIG's assessment of the challenges associated with these initiatives as of August 31, 2017.

### **FMO Acquisition and Contract Management**

**COR Education:** In FY 2016, the FMO agreed to host quarterly COR training. However, the FMO Acquisitions Division subsequently determined that quarterly training was not adequate and thereafter instituted bi-monthly COR training in February 2016 and expanded training to include maturation of the FTC COR knowledge base, as well as to address current, specific needs. The Acquisitions Division also posted a variety of COR resources online, including sample documents and Procurement Action Lead Time (PALT) requirements for common acquisitions.<sup>1</sup> The use of PALT guidelines should result in more realistic planned acquisition schedules for customers to follow and lower schedule risks.

This FMO initiative should have a positive impact on FTC acquisition processing and contract management. The FTC's Blanket Purchase Agreement (BPA) acquisition for Information Technology Services and Support (ITSS) is a critical element in the OCIO IT modernization initiative, approved in September 2016. The IT Strategy issued at that time assumed that ITSS Task Order awards would commence in the fourth quarter of 2016, and the ITSS Acquisition Plan issued in February of 2017 stated that any "potential delay will impact the FTC's ability to award task orders which are planned to be competed and awarded under the BPA in FY 2017." However, the FTC does not expect to award the ITSS BPA until FY 2018 – a full year beyond the initial estimate. Had those

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<sup>1</sup> PALT is the approximate number of calendar days from the time the contracting officer accepts a complete acquisition package to the time of award. Agencies establish PALT guideless, based on acquisition size and complexity that define the categories of acquisitions to which the guidelines apply. PALT guidance also generally specifies what constitutes a complete acquisition package.



involved in planning the ITSS acquisition used the PALT and other COR resources, the risk of schedule delay could have been reduced.

**Improved Customer Communications:** The FMO Acquisitions Division proposed to improve agency acquisitions by improving customer communications. For example, the Division is scheduling targeted customer meetings and providing liaison support for select customers among the Bureaus and Offices. The FAR recognizes the importance of participants in the acquisition process working together as a team.<sup>2</sup> “The Acquisition Team consists of all participants in Government acquisition including not only representatives of the technical, supply, and procurement communities but also the customers they serve, and the contractors who provide the products and services.”<sup>3</sup>

The OIG could not fully assess the impact of the proposed Acquisitions Division changes in FY 2017 because these changes will not generate measurable results until FY 2018 and beyond.

**Revised Policies and Procedures:** The OIG welcomes the Acquisitions Division’s continuous review of all FTC policies and procedures to ensure consistency with federal regulations and strive for improved acquisitions and contractor management.

**IT Acquisition Planning, Project Management, and Contract Management:** The OCIO reported taking significant steps to improve its IT acquisition processes. The OIG has not had sufficient time to assess the full impact of those actions because most are long-term activities that management only began to implement during FY 2016. For example, the CIO established a new Vendor and Program Management (VPM) division in March 2016, and significant VPM initiatives were not scheduled to start until FY 2017. Thus, VPM has not yet had the opportunity to work with the OCIO customer base and the FMO to establish the working relationships, policies, strategies, and practices necessary to improve the FTC acquisition planning, project management, and governance.

**Continued Progress:** In the last year, the FTC has demonstrated its commitment to improve acquisition planning and contract management by making changes in many contract acquisition and management areas. Yet, acquisition planning and contract management remains a continuing challenge, particularly in regard to improving the management of information technology acquisitions and operations, which the Government Accountability Office (GAO) includes as a high risk area in its 2017 high-risk report.<sup>4</sup> We will continue monitoring the agency’s progress to determine the extent to which the FTC has established an effective framework of controls to guide its acquisitions, its COR cadre, and its contract management process.

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<sup>2</sup> FAR § 1.102(a)(a) The vision for the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public’s trust and fulfilling public policy objectives. Participants in the acquisition process should work together as a team and should be empowered to make decisions within their area of responsibility.

<sup>3</sup> FAR § 1.102(c).

<sup>4</sup> GAO 17-317, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others, February 2017, Improving the Management of IT Acquisitions and Operations.*

## Agency Progress in Addressing the Challenge

**COR Education:** COR education continues to be a priority for FMO management and the Senior Procurement Executive (SPE). In FY 2017, FMO's Acquisitions has continued to hold bi-monthly COR training sessions as begun in FY 2016. Topics in FY 2017 have included overall COR roles and responsibilities, expert witness contracts, the Privacy Office's Privacy Threshold Analysis, unauthorized commitments and the ratification process, COR invoice process training, and an end-of-fiscal-year COR review session. To complement its in person training, the Acquisitions Division offers a wide variety of COR resources online for easy access, including templates, sample documents, and PALT requirements for the most common acquisitions, including new task orders, open market contracts, sole source contracts, and supplies/services contracts through GSA.

**Improved Customer Communications:** The Acquisitions Division is working to improve the quality of agency acquisitions by continuing to improve customer communications via targeted customer meetings and by obtaining new staff to serve as acquisition support liaisons for the customers. The SPE customer meetings, initiated in FY 2015, ensure standard topics are discussed, and new requirements are being addressed in an agreed-upon priority order. The Acquisitions Division also helped ensure timely completion of actions by sending reminders in advance of key dates. These improvements strengthened the acquisitions process overall and ensured that all acquisitions were completed timely at year-end.

Additionally, in FY 2017, the Acquisitions Division contracted for three acquisition liaisons, to assist program offices by providing hands on guidance about the acquisition process; assisting customers with initiating contract actions; ensuring the adequacy of acquisition packages; and ensuring that both the Acquisitions Division and the customer maintain transparency and confidence throughout the entire process. In this first year, the liaisons have assisted with over 75 contracting actions for the offices within the Office of the Executive Director, as well as BC and BCP. As a result of their work, the Acquisitions Division has begun to see improvement in the quality in acquisition packages, most notably in requirements definition. Customer feedback for the liaisons has been universally positive, and the Acquisitions Division will continue offering liaison services into FY 2018.

**Revised Policies and Procedures:** The SPE will continue reviewing all existing policies and procedures to ensure consistency with the latest federal regulations. Additionally, the SPE will continue to identify new policies and procedures that need to be issued. In FY 2017, the Acquisitions Division has published substantial revisions to the FTC's Administrative Manual chapter pertaining to Acquisitions. The updated chapter includes detailed descriptions of FTC's elements of an acquisition package, updated roles and responsibilities, a discussion of government-wide Contracting Officer Representative (COR) training requirements, and a definitions section. The Acquisitions Division has also focused on developing policies specifically for acquisitions staff. In FY 2017, the Acquisitions Division published over 17 such policies, with additional policies

planned for FY 2018. Topics of completed policies include market research, documenting small business strategies and awards, closeouts, deobligating unliquidated obligations, and formal acquisition plans, among others. Through this continuous assessment process, the Acquisitions Division will have standardized policies and procedures that will govern contracting actions and provide consistency and efficiency in operation and output of the Acquisitions Division, as well as clear guidance for the program offices. Establishment of policies and procedures is an ongoing effort of continuous review, revision, and tested compliance, as the FAR and industry standards are constantly changing.

**IT Acquisition Planning, Project Management, and Contract Management:** In FY 2017, OCIO's Strategy and Planning Division (SP) established an approach for managing modernization initiatives in an integrated manner. In FY 2018, OCIO plans to extend project management practices to non-standard change efforts associated with IT Operations and Maintenance to enable integrated visibility, resource allocation, and priority setting across divisions and support vendors to improve IT capability, customer service, and vendor performance accountability.

Also, OCIO's Vendor and Program Management Division (VPM) continues to work with the FMO Acquisition Division to award the IT Support Services BPA, the strategic contracting vehicle for modernization and sustainment of IT services. The two offices will continue to work closely together to plan and execute the transition of legacy services contracts into task orders under the BPA. The planning and execution for task order transition will follow PALT guidelines and leverage other COR resources developed to reduce schedule delays in the acquisition cycle. The BPA will streamline the IT procurement process and enable the FTC to work with vendor partners to acquire and modernize IT services efficiently and effectively.

In FY 2017, the VPM has taken a few important initial steps to improve the efficiency of the requisition and procurement process by collaborating closely with other OCIO Offices and the Acquisition Office. VPM has taken the central acquisition oversight role by reviewing and approving OCIO acquisitions. VPM has developed a single information source that tracks the acquisition status of all OCIO acquisition and works with Acquisition Office to share and validate information between the two offices. VPM also serves as liaison and the focal point to enhance the efficiency of communication between the two offices. The VPM also developed an IT Acquisition Management Guide in September 2017. The guide includes procedures for acquisition planning and contract administration for IT contracts. The guide defines process and methods for enterprise level IT acquisition planning to ensure alignment with IT strategies and impact to existing IT capabilities are considered in an integrated manner. The guide also defines various methods for improving contractual requirements, including performance-based requirements, performance standards and metrics, end-user oriented outcomes and agile incremental system and service delivery. The guide also established management and oversight processes to ensure performance issues are identified, analyzed, and

remediated timely and effectively. VPM plans to extend its oversight role to include IT acquisitions from all Bureaus and Offices. OCIO will continue to evolve and mature its project management approach, particularly as it applies to acquisitions.

**Key Milestones to Address this Challenge:**

- Q2 FY 2018 -
  - » Communicate IT acquisition procedures to agency-wide IT acquisition stakeholders.
  - » FMO releases updated Acquisitions Planning policies and procedures.
- Q2 FY 2018 - BPA Award
- Q3 FY 2018 -
  - » Baseline Integrated IT Acquisition Planning Forecast (IAPF)
  - » FMO holds COR training for agency staff
- Q4 FY 2018 -
  - » Establish a mechanism for centralized monitoring of contract performance measures, issues, and risks for IT contracts.
  - » FMO releases additional updated Acquisitions policies and procedures