



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

January 16, 2026

The Honorable Mike Johnson
Speaker of the House of Representatives
Office of the Parliamentarian
H-209 The Capitol Building
Washington, DC 20515

Dear Mr. Speaker:

This letter transmits the Fiscal Year (FY) 2025 Agency Financial Report for the Federal Trade Commission, as required by the Chief Financial Officers Act of 1990 (amended by the Reports Consolidation Act of 2000), the Government Management Reform Act of 1994, and the Accountability of Tax Dollars Act of FY 2002. This report also can be accessed via the Internet at <https://www.ftc.gov/reports/agency-financial-report-fy2025>.

The Commission also is transmitting copies of this report to the President, the President of the Senate, the President Pro Tempore of the Senate, the Director of the Office of Management and Budget, and other designated Members of Congress pursuant to Section I.6 of Office of Management and Budget Circular No. A-136, Financial Reporting Requirements.

By direction of the Commission.

A handwritten signature in blue ink, appearing to read "David Rebich".

David Rebich
Chief Financial Officer

Enclosure

cc: Attached distribution list

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The Honorable Tom Cole, Chairman

The Honorable Rosa DeLauro, Ranking Member

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Committee on Oversight and Government Reform

The Honorable James R. Comer, Chairman

The Honorable Robert Garcia, Ranking Member



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

January 16, 2026

The Honorable Charles E. Grassley
President Pro Tempore
135 Hart Senate Office Building
Washington, DC 20510

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Committee on Commerce, Science and Transportation

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Committee on the Judiciary

The Honorable Charles E. Grassley, Chairman

The Honorable Richard J. Durbin, Ranking Member

Committee on Appropriations

The Honorable Susan Collins, Chair

The Honorable Patty Murray, Vice Chair



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
FINANCIAL MANAGEMENT OFFICE

January 16, 2026

The Honorable JD Vance
President of the Senate
S-212 The Capitol Building
Washington, DC 20510

Dear Mr. President:

This letter transmits the Fiscal Year (FY) 2025 Agency Financial Report for the Federal Trade Commission, as required by the Chief Financial Officers Act of 1990 (amended by the Reports Consolidation Act of 2000), the Government Management Reform Act of 1994, and the Accountability of Tax Dollars Act of FY 2002. This report also can be accessed via the Internet at <https://www.ftc.gov/reports/agency-financial-report-fy2025>.

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FEDERAL TRADE COMMISSION

FY 2025
AGENCY
FINANCIAL
REPORT



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INTRODUCTION



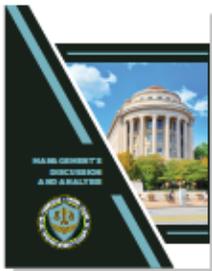
ABOUT THIS REPORT

The Federal Trade Commission's (FTC) fiscal year (FY) 2025 Agency Financial Report (AFR) provides financial and high-level performance results and demonstrates to the Congress, the President, and the public the FTC's commitment to its mission and accountability over the resources entrusted to it. This report, available at [ftc.gov](https://www.ftc.gov), satisfies all legislatively required reporting requirements.

The FTC publishes both an AFR and an Annual Performance Report (APR). The FY 2025 APR will be combined with the FY 2026–2027 Annual Performance Plan (APP) and included in the FY 2027 Congressional Budget Justification, available at [ftc.gov/about-ftc/budget-strategy/budget-performance-financial-reporting](https://www.ftc.gov/about-ftc/budget-strategy/budget-performance-financial-reporting) along with other performance documents.

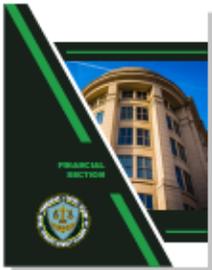
HOW THIS REPORT IS ORGANIZED

The FTC Agency Financial Report is organized into the following three major sections, plus supplemental appendices.



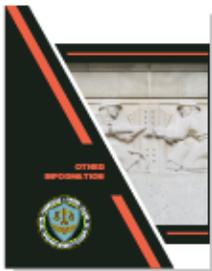
1. Management's Discussion and Analysis

The Management's Discussion and Analysis is required supplementary information that provides an overview of the FTC's financial and summary performance information. This section includes agency mission and organization, performance goals and highlights, management assurances on internal controls, and financial highlights.



2. Financial Section

This section provides financial details, including the message from the Chief Financial Officer, independent auditor's report, and audited financial statements with accompanying notes.



3. Other Information

This section provides the Office of Inspector General's summary of top management and performance challenges, a summary of the financial statement audit and management assurances, payment integrity information, and a schedule of civil monetary penalties' adjustments for inflation.

THE FTC AT-A-GLANCE

History

The Federal Trade Commission was created on September 26, 1914, when President Woodrow Wilson signed the Federal Trade Commission Act into law. The original purpose of the FTC was to prevent unfair methods of competition in commerce as part of the battle to “bust the trust.” Over the years, Congress passed additional laws giving the agency greater authority to police anticompetitive practices, and in 1938, Congress passed a broad prohibition against “unfair and deceptive acts or practices.” Since then, the FTC has been further directed by Congress to enforce a wide variety of other consumer protection laws and regulations.

Laws Enforced

The FTC is a law enforcement agency with both consumer protection and competition jurisdiction in broad sectors of the economy. The agency administers a wide variety of laws and regulations. Examples include the Federal Trade Commission Act, Clayton Act, Telemarketing Sales Rule, Fair Credit Reporting Act, Identity Theft Act, and Equal Credit Opportunity Act. In total, the commission has enforcement or administrative responsibilities under more than **80 other laws**.

Profile

The agency is headquartered in Washington, D.C. and operates in seven regions across the United States.

Total new budget authority for FY 2025 was \$425.7 million, which included \$133.7 million in general fund appropriations and \$292 million in spending authority from offsetting collections.

Headquarters

The FTC established its headquarters at 600 Pennsylvania Avenue, NW, with President Franklin D. Roosevelt laying the cornerstone himself. Roosevelt remarked, “May this permanent home of the Federal Trade Commission stand for all time as a symbol of the purpose of the government to insist on a greater application of the golden rule to conduct the corporation and business enterprises in their relationship to the body politic.”

The building, which is particularly known for its two art deco-style statues, called “Man Controlling Trade,” is located at the apex of the Federal Triangle, and was the culmination of the massive Depression-era government building project. Commissioners and staff officially moved in on April 21, 1938, and the building continues to function as the FTC’s headquarters, serving the agency’s adjudicative, executive, policy, and administrative functions.

MESSAGE FROM THE CHAIRMAN



Office of the Chairman

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580



Andrew N. Ferguson,
Chairman

Congress created the FTC to protect Americans from unlawful business practices and to foster a strong American economy that promotes human flourishing through competition, economic freedom, and an informed public. In fiscal year 2025, the FTC continued prioritizing protecting ordinary Americans through vigorous enforcement while also improving agency efficiency to help us stretch our budget dollars.

On the consumer protection side, the agency continued to fight fraud and deception in the marketplace. In total, the FTC filed 40 complaints in federal district court and obtained 49 permanent injunctions and orders requiring defendants to pay more than \$1.8 billion in consumer redress or disgorgement of ill-gotten gains. In addition, cases seeking civil penalties, including cases referred to the Department of Justice (DOJ), resulted in 14 court judgments imposing more than \$1 billion in civil penalties. The FTC issued nine new administrative complaints and entered 11 final administrative orders requiring defendants to pay over \$8.1 million. The FTC also returned \$317.7 million in redress from defendants to consumers. The amount of redress is especially significant given that the FTC can no longer use Section 13(b) of the FTC Act to obtain monetary redress and disgorgement. This legal authority had previously been the primary tool that the Commission used to return money to consumers.

On the competition side, we have challenged unlawful transactions and anticompetitive conduct in critical sectors of the economy, including healthcare, technology, energy, defense, consumer goods and services, labor, and manufacturing. In total, the FTC brought 14 competition enforcement actions during the fiscal year¹: seven where the Commission issued consent decrees to remedy harm to Americans; five where the agency initiated federal court or administrative litigation; and two that were abandoned or restructured as a result of the agency's scrutiny revealing competitive concerns. For cases concluded this year, the Bureau of Competition estimates that antitrust enforcement saved consumers \$3.7 billion.

FINANCIAL MANAGEMENT

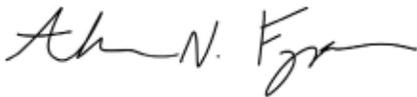
The FTC takes very seriously its commitment to responsibly steward public resources entrusted to the agency by American taxpayers and Congress. The agency's FY 2025 independent financial audit yielded our 29th consecutive unmodified opinion, the highest audit opinion available. The independent auditors did not identify any material weaknesses, significant deficiencies, or instances of non-compliance with internal controls, financial systems, or laws and regulations. I am pleased to report that management's assessment of risks and review of controls and financial systems disclosed no material weaknesses, and that the financial and performance data presented here is reliable and complete (see Statement of Assurance, p. 24).

¹ The Commission also issued and later withdrew a federal court litigation that is not included in this figure.

MANAGEMENT AND PERFORMANCE CHALLENGES

The Office of Inspector General (OIG) identified four management and performance challenges this year: (1) managing resources effectively; (2) addressing challenges to litigation; (3) combating evolving scams and enhancing the public's awareness; and (4) securing information systems and networks amid evolving threats, workforce shifts, and shared services uncertainty. In addition, the OIG highlighted safeguarding nonpublic information as a "watch list" item that, while not a serious management challenge, still requires attention. Agency management agrees that these are important challenges and concurs with the IG's assessment of our progress in addressing these challenges (see p. 79).

The Commission is committed to vigorously enforcing the law to protect all Americans and to working with federal and state government partners to deliver on the FTC's mandate.



Andrew N. Ferguson

Chairman

January 16, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS



AGENCY AND MISSION INFORMATION

Our Mission

Protecting the public from deceptive or unfair business practices and from unfair methods of competition through law enforcement, advocacy, research, and education.

What We Do

The work of the Federal Trade Commission protects and strengthens free and open markets and promotes informed consumer choice in the United States and around the world. Our work touches the daily economic life of every American. In order to achieve our vision of a vibrant economy fueled by fair competition and an empowered, informed public we:

- Pursue strong and **effective law enforcement** against deceptive, unfair, and anticompetitive business practices
- Create and share practical, plain-language educational programs for **consumers** and **businesses**
- Advance consumers' interests by sharing our expertise with federal and state legislatures and U.S. and **international** government agencies
- Develop **policy** and research tools through **workshops, conferences, and hearings**

Our Organization

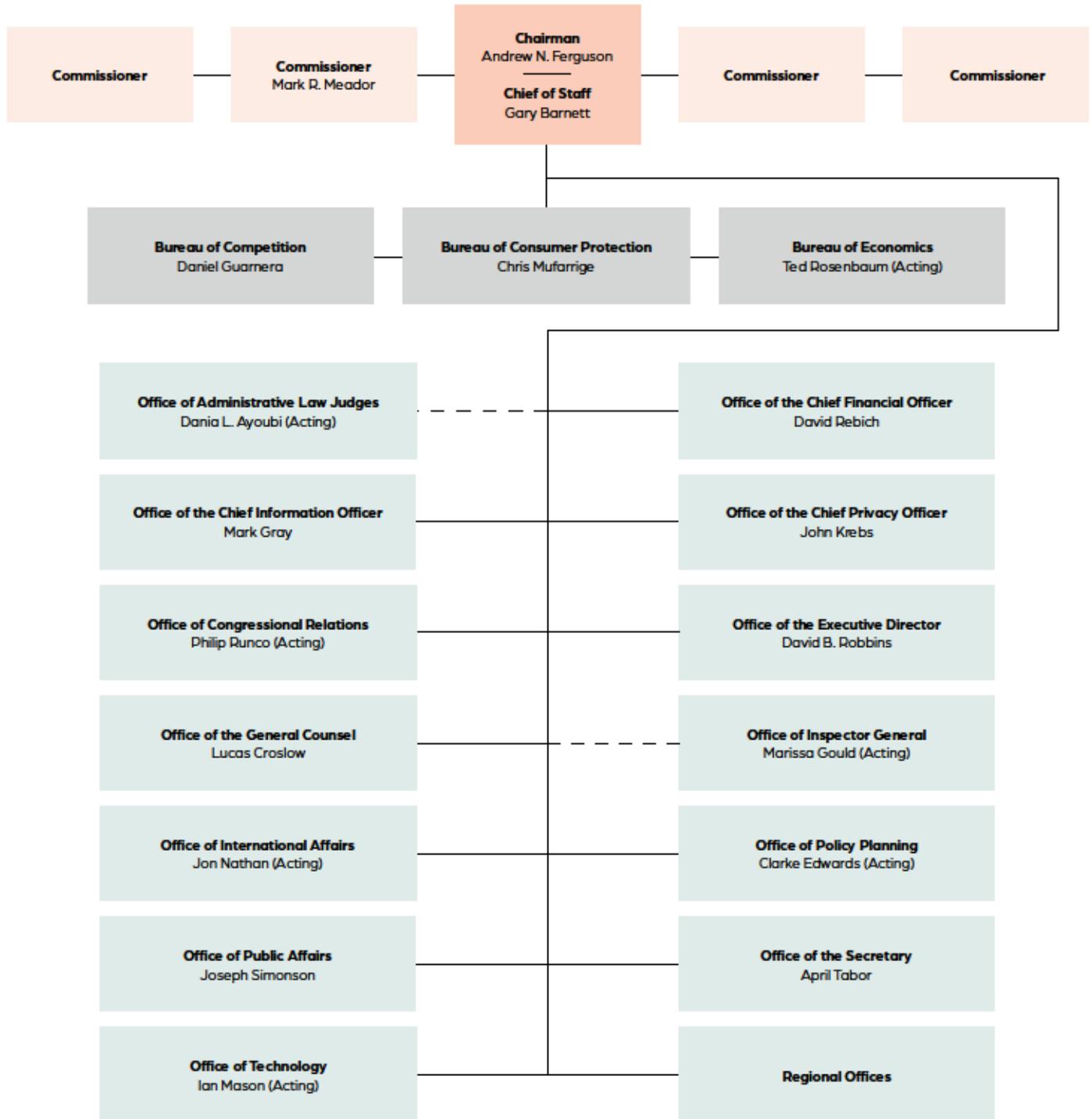
The FTC is led by a Commission who are nominated by the President and confirmed by the Senate, with one Commissioner designated by the President to act as Chair. The Chairman is **Andrew N. Ferguson** and the Commissioners who served as of September 30, 2025 are **Melissa Holyoak**, and **Mark R. Meador**. Commissioner Holyoak resigned as of November 17, 2025. The FTC's mission is carried out by three bureaus, aided by **several additional offices**:

The **Bureau of Competition** (BC) seeks to prevent anticompetitive mergers and business practices. By enforcing antitrust laws, the Bureau promotes competition and protects consumers' freedom to choose goods and services in an open and fairly-priced marketplace.

The **Bureau of Consumer Protection** (BCP) protects consumers against unfair, deceptive, or fraudulent practices by enforcing consumer protection laws enacted by Congress, as well as trade regulation rules issued by the Commission.

The **Bureau of Economics** helps the FTC evaluate the economic impact of its actions by providing analysis and support to investigations and rulemakings as well as analyzing the impact of government regulation on competition and consumers.

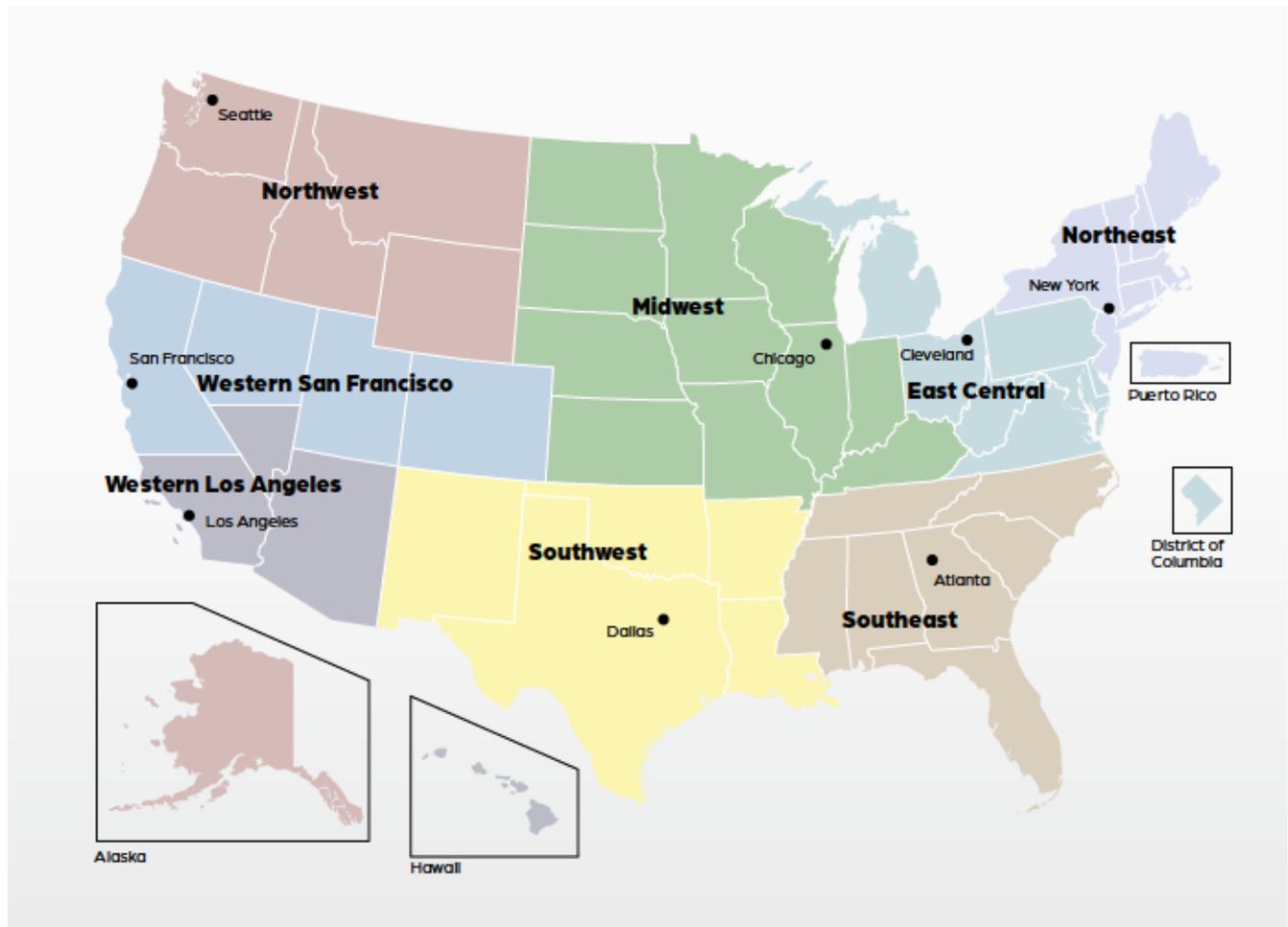
Federal Trade Commission Organization Chart



Regional Offices

Since 1918, regional offices have played an integral role in fulfilling the FTC's consumer protection and competition missions. Currently, eight regional offices covering seven geographic regions conduct investigations and litigation; provide local outreach to consumers and industry; and build partnerships with local, state, regional, and cross-border law enforcement authorities.

The agency is headquartered in Washington, D.C., and operates with seven regions across the U.S., with two offices located in the Western Region. The graphic below illustrates the locations of the FTC regions.



PERFORMANCE HIGHLIGHTS

The **FTC Strategic Plan for FY 2022–2026** establishes the agency's mission, vision, strategic goals, objectives, and the metrics for assessing program performance. On the following pages we provide some of these metric results for FY 2025, as well as some highlights from cases and projects that started or concluded this year.

For the complete report on agency performance during FY 2025 and the years prior, refer to the Annual Performance Report and Annual Performance Plan (APR/APP). The FY 2025 APR/APP will be released in March 2026. For a detailed description of agency metrics, how they are calculated, how data is collected, and processes for data validation, see the FTC Data Quality Appendix. All of these agency budget and performance documents are available on the FTC website: <https://www.ftc.gov/about-ftc/budget-strategy/budget-performance-financial-reporting>

Key Performance Results and Costs

Strategic Goal 1: Protect the public from unfair or deceptive acts or practices in the marketplace.

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

Net Costs of Strategic Goal 1 = \$217 million

- + Cost of Law Enforcement, Research and Education, and Mission Support \$235 million
- Fees Collected \$18 million

Consumer Protection Performance Results for FY 2025

- \$353.9 million returned to the public or forwarded to the U.S. Treasury resulting from FTC enforcement actions (metric 1.1.1).
- 483 outreach events held (metric 1.2.3).
- 33.3 million page views for consumer and business education digital articles and blog posts (metric 1.2.4).

FY 2025 CONSUMER PROTECTION HIGHLIGHTS

Protecting Consumers from Deceptive Subscription Enrollment and Cancellation Practices

The FTC **secured a historic order with Amazon.com**, settling allegations that Amazon enrolled millions of consumers in Prime subscriptions without their consent, in violation of the FTC Act and the Restore Online Shoppers' Confidence Act (ROSCA). The FTC also alleged that Amazon created a complex and difficult process for consumers seeking to cancel their Prime subscriptions, with the goal of preventing consumers from cancelling Prime. Amazon is required to pay a \$1 billion civil penalty, which is the largest ever in a case involving an FTC rule violation. Amazon is also required to provide \$1.5 billion in refunds to harmed consumers and cease unlawful Prime enrollment and cancellation practices. This is the second-highest restitution award ever obtained by FTC action.



The FTC also **filed a lawsuit against Uber**, alleging the rideshare and delivery company charged consumers for its Uber One subscription service without their consent, failed to deliver promised savings, and made it difficult for users to cancel the service despite its "cancel anytime" promises.

Separately, the FTC **sued the operators of LA Fitness and other gyms** over allegations they make it exceedingly difficult for consumers to cancel their gym memberships and related services that continue indefinitely unless cancelled. The agency is seeking a court order prohibiting the allegedly unfair conduct and money back for consumers.

Misrepresentation of Healthcare Products

Assurance IQ and MediaAlpha **agreed to pay a total of \$145 million** to settle FTC charges that they misled millions of consumers seeking to buy comprehensive health insurance. Both companies will also be prohibited from misrepresenting healthcare products. In two separate actions, the FTC alleged that both Assurance and MediaAlpha deceived consumers and led them to purchase plans that did not provide the promised health care coverage, and bombarded consumers with telemarketing and robocalls. Of the \$145 million, \$100 million will be paid by Assurance and \$45 million by MediaAlpha. These payments will be used to provide refunds to consumers.

Protecting Consumers from Business Opportunity Marketing

The FTC **sued Ascend Ecom and its owners** for allegedly falsely claiming its "cutting edge" AI-powered tools would help consumers quickly earn thousands of dollars a month in passive income by opening online storefronts. According to the FTC's complaint, the operation defrauded consumers of at least \$25 million. Ascend Ecom agreed to a settlement order banning it from selling business opportunities and to turn over assets, including the contents of bank accounts and the proceeds from the sale of real estate properties, which will be used to compensate affected consumers. The order includes a total monetary judgment of \$25 million, which is partially suspended based on the defendants' inability to pay the full amount.



Unlawful Collection of Children's Data

Disney **agreed to pay \$10 million** to settle FTC allegations that the company allowed personal data to be collected from children who viewed videos on YouTube without notifying parents or obtaining their consent as required by the Children's Online Privacy Protection Rule (COPPA Rule). The court order also requires Disney to implement a program to review whether videos posted to YouTube should be designated as "Made for Kids" and to comply with the COPPA Rule, including by notifying parents before collecting personal information from children under 13 and obtaining verifiable parental consent for collection and use of that data.



The FTC also **took action against robot toy maker Apitor Technology**. The complaint, filed by the DOJ upon referral from the FTC, alleges that despite claims in their privacy policies that they comply with the COPPA Rule, Apitor enabled a third party in China to collect geolocation information from children without parental notification or consent. The settlement order requires Apitor to ensure that any third-party software it uses complies with the COPPA Rule and includes a \$500,000 penalty, which is suspended due to the company's inability to pay.

Key Performance Results and Costs

Strategic Goal 2: Protect the public from unfair methods of competition in the marketplace and promote fair competition.

The FTC's efforts to prevent and police unfair methods of competition focus on preventing anticompetitive mergers and business practices through law enforcement. The FTC also engages in research, policy development, advocacy, and education to deter anticompetitive practices and encourages federal, state, and local governments to evaluate the effects of their policies on fair competition. Recognizing the realities of globally interconnected markets, the FTC advances this goal internationally by fostering enforcement and policy convergence and through case cooperation with foreign competition enforcement authorities. This work is critical to protect and strengthen free and open markets—the cornerstone of the American economy.

Net Costs of Strategic Goal 2 = (\$64 million)

- + Cost of Law Enforcement, Research and Advocacy, and Mission Support \$218 million
- Fees Collected \$282 million

Antitrust Performance Results for FY 2025

- \$4.69 billion in consumer savings and other measurable benefits generated by antitrust enforcement (5-year rolling average) (metric 2.1.1).
- 10 reports and studies issued on competition related topics (metric 2.2.1).

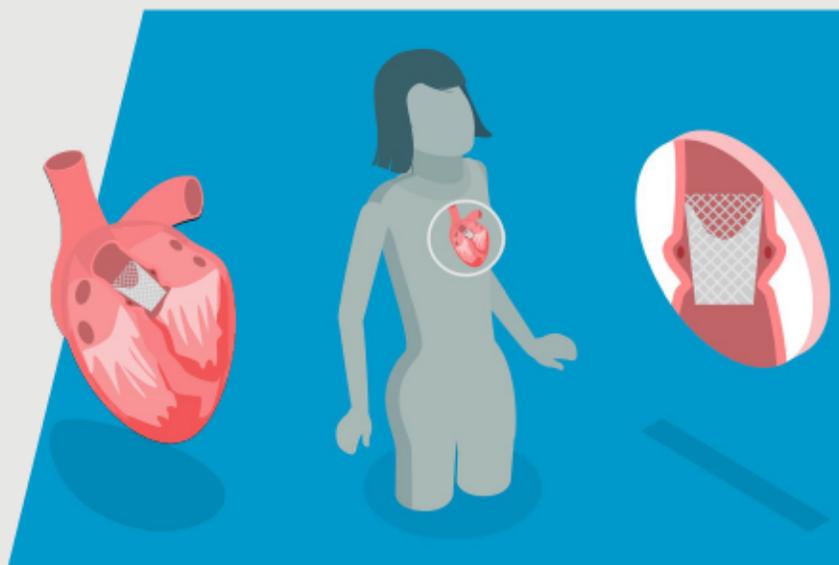
FY 2025 ANTITRUST HIGHLIGHTS

FTC Challenges Anticompetitive Medical Device Deal

More than eight million Americans suffer from aortic regurgitation, a potentially fatal heart condition which occurs when the heart's aortic valve does not close properly, causing blood to backflow into the heart. Transcatheter aortic valve replacement (TAVR-AR) devices offer a new and less invasive way to treat the condition. (Currently, the only safe and effective treatment for aortic regurgitation is open-heart surgery.)

In August 2025, the FTC moved to block medical device supplier Edwards Lifesciences's proposed acquisition of JenaValve Technology alleging that

JenaValve is on the verge of becoming the first company to receive FDA approval for a TAVR-AR device. The FTC's complaint further alleges that, twenty-four hours before Edwards inked its deal with JenaValve, Edwards closed on a separate transaction to purchase JC Medical, another company close to FDA approval for a TAVR-AR device. Edwards' proposed acquisition of JenaValve would therefore combine the only two companies with ongoing clinical trials for a TAVR-AR device in the United States. The proposed acquisition threatens to reduce competition in the market, likely resulting in reduced innovation, diminished product quality, and potentially increased prices for consumers. This matter is pending in federal court and before the FTC's administrative tribunal.



FTC Prevents Anticompetitive Coordination in Global Advertising

In June 2025, the FTC **took action to resolve antitrust concerns related to Omnicom Group's** \$13.5 billion acquisition of The Interpublic Group of Companies (IPG). Omnicom and IPG are the third- and fourth-largest media buying advertising agencies in the U.S. These agencies facilitate media buying by representing advertisers in negotiations with media publishers over conditions such as pricing, ad placement, and sponsorships, as well as helping execute advertisers' ad campaigns. The proposed order imposes restrictions that prevent Omnicom from engaging in collusion or coordination to direct advertising away from media publishers based on the publishers' political or ideological viewpoints, protecting competition between ad agencies, but also protecting the open exchange of information in public discussion and debate.

FTC Takes Action to Protect Workers from Noncompete Agreements

In September 2025, the FTC **took action to protect American workers** from harmful labor practices by ordering pet cremation company Gateway Services to nullify noncompete agreements in its employees' contracts. Gateway required mandatory noncompete agreements in contracts for almost 1,800 employees, which prohibited employees from working in the pet cremation service industry anywhere in the United States for one year after leaving Gateway. The order frees employees from these restrictions that limit job mobility and the ability to negotiate better wages and benefits. This action demonstrates the Commission's ongoing commitment to investigating and prosecuting anticompetitive labor market practices.



FTC Challenges \$1.57B Retail Gas Station Acquisition

In June 2025, the FTC **issued a consent order to protect Americans from paying higher prices at the pump** by resolving antitrust concerns surrounding Alimentation Couche-Tard's (ACT) proposed \$1.57 billion acquisition of 270 retail fuel outlets from grocery store chain Giant Eagle. ACT operates more than 7,100 stores in the United States, primarily under the brand Circle K. Under the consent order, the FTC required ACT to divest 35 gas stations to Majors Management to protect consumers across Indiana, Ohio, and Pennsylvania from paying higher fuel costs through the elimination of competition.



FTC Recommends Anticompetitive Regulations for Deletion or Revision

In response to President Trump's Executive Order on Reducing Anticompetitive Regulatory Barriers, the FTC issued a report recommending the deletion or revision of over 125 regulations across the entire federal government that exclude new market entrants, protect dominant incumbents, and predetermine economic winners and losers. The FTC will continue to work collaboratively with OMB and all relevant federal agencies to rescind or revise these regulations as appropriate.

Key Performance Results and Costs

Strategic Goal 3: Advance the FTC's effectiveness and performance.

The FTC believes that advancing organizational effectiveness and performance at all levels creates a strong foundation for overall mission success. The agency's work in Strategic Goal 3 highlights ongoing efforts to improve the management of agency staffing, finances, information, and physical assets, to create a more efficient and more agile agency.

Net Costs of Strategic Goal 3

- Strategic Goal 3's costs are distributed to Goal 1 and Goal 2 predominately by Goal 1 and Goal 2's FTE usage, except for those non-pay costs that are clearly attributable to a specific goal.

ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

Implementation of the Federal Managers' Financial Integrity Act (FMFIA)

The FTC's Enterprise Risk Management (ERM) and internal controls are integral to managing daily operations and carrying out activities that achieve strategic goals and objectives. Internal controls are part of all agency systems and processes. Senior management holds managers accountable for documenting, assessing, and improving these controls to provide efficient and effective risk management, program operations, high-quality data, and accurate reporting as well as program compliance with applicable laws and regulations.

The FTC's Senior Management Council (SMC) provides oversight to the Senior Assessment Team (SAT) activities and is instrumental in the strategic direction and mitigation strategies for the Agency's most significant risks. The SAT plans and executes the Agency's enterprise risk and internal control program activities to include fraud reduction initiatives. This includes assessing and improving compliance with applicable guidance (e.g., Office of Management and Budget Circular A-123, Management Responsibilities for Enterprise Risk Management and Internal Control), monitoring and remediation of identified risk, and communicating the results of reviews to senior management and the head of the agency.

ERM activities in FY 2025 included planning the annual internal controls assessments;

identifying key processes and related control activities; documenting the scope, design, and methodology of risk and internal control assessments; testing of internal controls; and monitoring corrective action plans and the remediation progress. In addition, ERM updated the agency risk profile, including fraud and other risks related to successful mission performance. The profile listed risks regarding the FTC's ability to address combating sophisticated scams and enhancing the public's awareness of them, challenges to FTC litigation which reduces the agency's ability to obtain monetary relief for those harmed by deceptive or unfair business practices, or unfair methods of competition. In addition, the profile includes the complexity and unpredictable nature of market competition investigations requiring expert witnesses, impacts of budget constraints as they influence carrying out the agency mission including cost risk associated with the FTC's technology initiatives to improve and position the agency to detect advanced persistent threats to its systems and data. Risks related to optimizing work and productivity in a hybrid work environment, supply chain risk management, and managing records and sensitive information, have also been noted. FTC leadership uses the risk profile to monitor agency operations, to make budget and

resource decisions, and to assess mitigation strategies and activities.

This year, the FTC continued with the implementation of an ERM program plan and strategy. Activities for FY 2025 included executing an annual segment of the multi-year internal control assessment plan, monitoring existing risk registers, identifying, and analyzing risk, assessing entity level controls, and monitoring corrective actions, as well as performing OMB-directed Internal Control Over Reporting (ICOR) assessments. In determining if there were any management control deficiencies or nonconformance that must be disclosed in the annual assurance statement, the FTC Chairman evaluated several sources of information. These

included results of ERM activities, information from independent audits or reviews performed by the Office of Inspector General (OIG), (e.g., Federal Information Security Management Act review), the Government Accountability Office (GAO), independent audits of service providers' operations and financial systems (e.g., reviews conducted in accordance with Statement on Standards for Attestation Engagements (SSAE No. 18)), and other relevant evaluations and control assessments.

The Chairman's assurance statement below is supported by the processes and reviews described above, which were performed in FY 2025. Management assurance tables appear in the Other Information section.



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Chairman

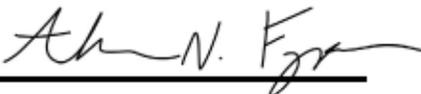
CHAIRMAN'S FMFIA STATEMENT OF ASSURANCE

The Federal Trade Commission's (FTC) management is responsible for establishing and maintaining effective risk management, internal controls and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA).

In accordance with the requirements of the Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, the FTC conducted its annual assessment of the effectiveness of the organization's internal controls to support effective and efficient programmatic operations, reliable financial reporting, and compliance with applicable laws and regulations; and whether the financial management system conforms to applicable financial systems requirements.

Based on the results of this assessment, the FTC provides reasonable assurance that its internal controls over the effectiveness and efficiency of operations, reliable financial reporting and compliance with applicable laws and regulations as of September 30, 2025, were operating effectively and that no material weaknesses were found in the design or operation of our internal controls. Some reporting officials identified areas for improvement in their individual assessments, which are being addressed internally and are non-material.

Further, based on our assessment, the FTC provides reasonable assurance (no material weaknesses or lack of compliance reported) that the FTC financial management systems substantially conform with the *Federal Financial Management Improvement Act of 1996 (FFMIA)*, applicable financial systems requirements, applicable Federal accounting standards and the U.S. Standard General Ledger at the transaction level.

Signed 

Andrew N. Ferguson
Chairman
December 23, 2025

Summary of Material Weakness and Nonconformances

As noted in the Chairman's FMFIA Statement of Assurance, the FTC had no material weaknesses in internal control, material noncompliance with applicable laws and regulations, nor substantial nonconformance with federal financial management system requirements to report for FY 2025.

Federal Information Security Management Act (Fisma)

As mandated by FISMA, the agency continues to maintain an effective information security program to manage information technology in accordance with OMB Circular A-130 requirements and National Institute of Standards and Technology (NIST) guidance. The FTC currently has six systems authorized to operate (ATO). The FTC leverages sixty-one Federal Risk and Authorization Management Program (FedRAMP) cloud service providers.

Digital Accountability And Transparency Act Of 2014 (Data Act)

The DATA Act expands the Federal Funding Accountability and Transparency Act of 2006 to increase accountability and transparency in federal spending, making federal expenditure information more accessible to the public; improve the quality of the information on USASpending.gov, as verified through regular audits of the posted data; and to streamline and simplify reporting requirements through clear data standards. The FTC successfully transmitted the data files, and certified the quarterly submissions as required by the government-wide requirements set by OMB and the U.S. Department of Treasury.

Debt Collection Improvement ACT

The Debt Collection Improvement Act of 1996 prescribes standards for the administrative collection, compromise, suspension, and termination of Federal agency collection actions and referrals to the proper agency for litigation. The FTC monitors, administers, and collects on debts less than 120 days delinquent. The FTC also monitors, administers, and collects on debts more than 120 days delinquent. Eligible, nonexempt debts more than 120 days old are transferred to the U.S. Department of the Treasury for cross-servicing. In addition, recurring payments were processed by electronic funds transfer in accordance with the provisions of the Debt Collection Improvement Act.

Prompt Payment Act

The Prompt Payment Act requires that federal agencies automatically pay interest to vendors when a payment is not timely and report how much interest was paid each year because of late payments. In FY 2025, the FTC processed 2,560 invoices totaling \$102 million that were subject to prompt payment. Of these invoices, 99.9 percent were paid on time. During FY 2025, the FTC paid a total of \$0 in interest penalties, or 0 percent of the total dollar amount invoiced.

Agency Financial Management Systems Strategy

The FTC's overall strategy for its financial management systems is to ensure that the systems provide accurate, reliable, and timely information for management decision-making, maintain effective internal controls, and comply with applicable laws and regulations. It is also critical that the financial management systems support both operational efficiency and effectiveness in meeting the agency's strategic goals.

The FTC receives its financial management systems from the Department of Treasury. The FTC uses the Oracle Federal Financials (OFF) system as its core financial management system and the Oracle Business Intelligence (OBI) reporting capabilities to produce timely reports that support agency requirements. The FTC also uses several systems that integrate with OFF to support agency operations, including the Invoice Processing Platform (IPP) for efficient and secure processing of invoices, the Concur Government Edition (CGE) to manage travel transactions, and the Procurement Information System for Management (PRISM) for contract actions.

In FY2026 the FTC will be transitioning to GSA's new Travel management system, GO.gov. A replacement to Concur.

Federal Civil Penalties Inflation Adjustment Act of 1990

As established by statutory civil penalty provisions, the FTC has jurisdiction to charge civil penalties for violations specified in the FTC Act and several other laws the Commission is responsible for administering and enforcing. The FTC adjusts these civil penalty amounts for cost of living, as required by Federal Civil Penalties Inflation Adjustment Act of 2015.

Details about the FTC's types of civil penalties, the authority for the penalty, adjustment dates, and current penalty amount can be found in the Other Information section of this report.

Fraud Reduction Data Analytics Act

The Fraud Reduction and Data Analytics Act of 2015 was passed to improve federal agency financial and administrative controls and procedures to assess and mitigate fraud risks, and to improve Federal agencies' development and use of data analytics for the purpose of identifying, preventing, and responding to fraud, including improper payments.

During FY 2021, the FTC expanded its fraud risk program, strengthened the agency's processes, and improved internal controls to prevent, detect, and mitigate fraud risks. The FTC continued to expand its fraud program in FY 2025 and consistently monitors how it assesses fraud risk.

Antideficiency Act

The Antideficiency Act prohibits federal agencies from spending or obligating funds in excess of amounts and purposes approved by Congress, and from accepting voluntary services. The FTC's funds controls and continuing reviews of funds usage and availability ensure it complies with requirements of the Antideficiency Act.

FINANCIAL HIGHLIGHTS

Introduction

The FTC's accounting practices continue to be accurate and transparent, directly supporting the agency's mission to protect the public from deceptive or unfair business practices and from unfair methods of competition through law enforcement, advocacy, research, and education. For the 29th straight year, the FTC received a "clean" or unmodified opinion on its audited financial statements. Independent auditors issue an unmodified opinion when an entity's financial statements are presented fairly, in all material aspects, in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The following discussion provides an overview of the agency's financial position and results of operations. The complete audited financial statements with accompanying notes, including the independent auditor's report, are presented in the Financial Section of this report.

Balance Sheet

The FTC's Balance Sheet includes both entity and non-entity assets and liabilities. Entity assets, by law, are authorized by the Congress for the FTC to use in its operations, i.e., Property, Plant, and Equipment (PP&E). Entity liabilities consist of probable and measurable future outflows of FTC entity resources.

Non-entity assets (which are not available for the FTC's use) are those assets held on behalf of others, i.e., collections and accounts receivable

Condensed Balance Sheet as of September 30, 2025

(Dollars in Millions)	FY 2025
Entity Assets	
Fund Balance with Treasury	\$ 148
General Property, Plant and Equipment, Net	25
Advances and Prepayments	1
Total Entity Assets	174
Non-Entity Assets	
Fund Balance with Treasury	442
Accounts Receivable	1,129
Total Non-Entity Assets	1,571
Total Assets	\$ 1,745
Entity Liabilities	
Employee-Related Liabilities	\$ 25
Accounts Payable and Other	19
Total Entity Liabilities	44
Non-Entity Liabilities	
Redress Collections not yet Disbursed	442
Liability for Amounts to be Collected	1,129
Total Non-Entity Liabilities	1,571
Total Liabilities	\$ 1,615
Total Unexpended Appropriations	1
Total Cumulative Results of Operations	129
Total Net Position	130
Total Liabilities and Net Position	\$ 1,745

that arise from civil monetary penalties and court-ordered judgments for monetary relief in the agency's consumer redress program. Non-entity assets are equal to, and offset by, non-entity liabilities.

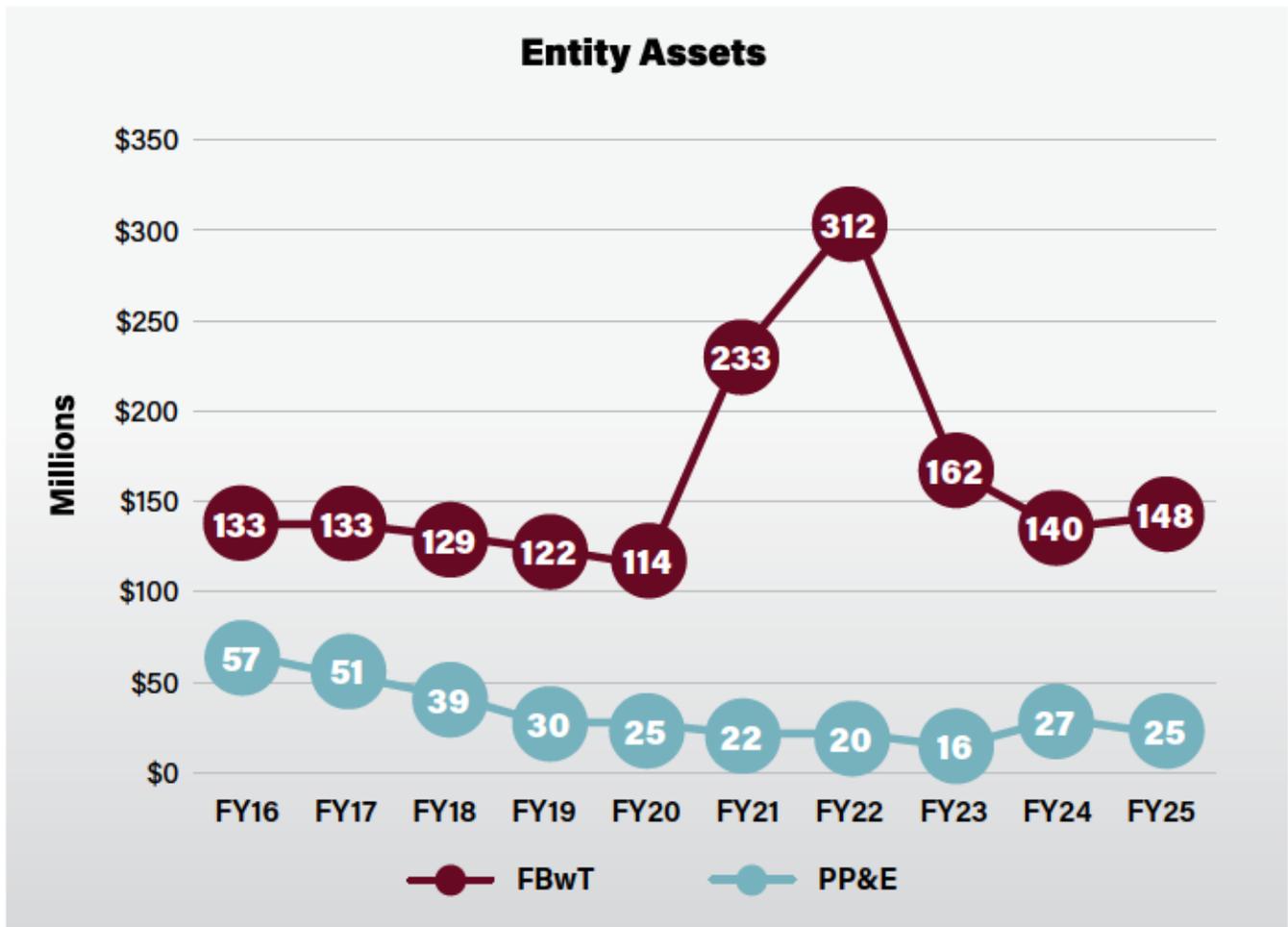
Balance Sheet – Entity

Entity assets totaled \$174 million, or 10 percent of all FTC assets, as of September 30, 2025. The Fund Balance with Treasury (FBwT) ended the year at \$148 million.

General property, plant, and equipment (PP&E), net of accumulated depreciation/amortization, is \$25 million, which consists of \$11 million in leasehold improvements, \$3 million in equipment,

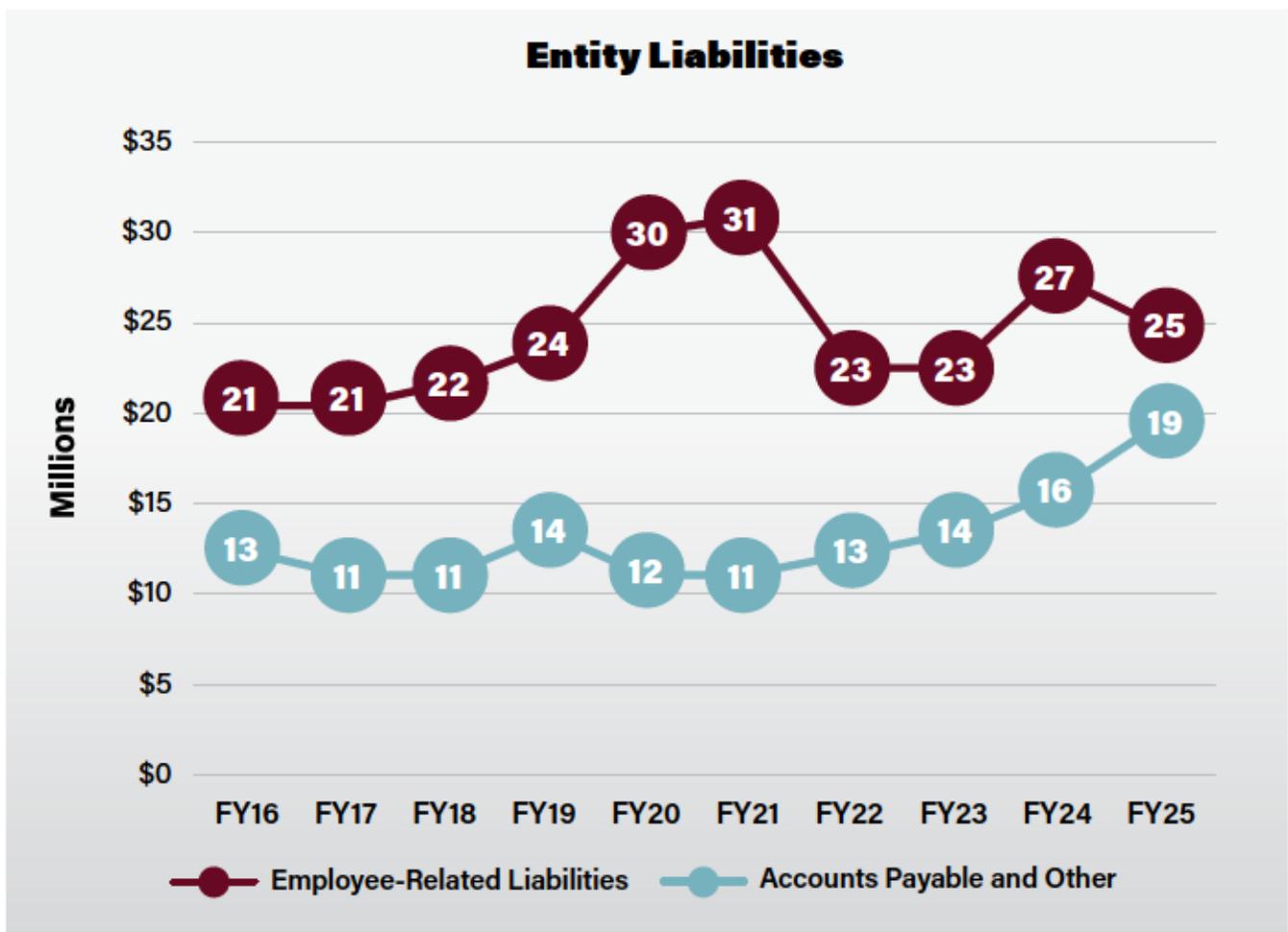
\$9 million in software, and \$2 million in lessee right-to-use assets.

The trends in the FTC's entity assets show relatively minor changes other than a significant increase in FBwT between FY 2020 and FY 2022 due to large increases in the volume of Premerger fee collections. These increased fee collections resulted in offsetting collections amounts above what Congress authorized for retention and use to pay for necessary expenses of the agency. These amounts were precluded from obligation and in FY 2023, the FTC received authority and returned \$172 million in prior excess collections to Treasury.



Entity liabilities totaled \$44 million, or 3 percent of all FTC liabilities, as of September 30, 2025. Entity liabilities normally have a smaller range of fluctuation in comparison to entity assets. Accounts payable balances fluctuate based on the dollar amount and volume of capitalized purchases as well as the timing between the receipt of goods and the disbursement to the

vendors. Employee-related liabilities fluctuate based on the full-time employee count and the timing of the payroll disbursement cycle. These liabilities consist of accrued payroll and benefits, accrued annual leave wages earned by employees but not yet paid, and workers compensation liabilities under the Federal Employees Compensation Act (FECA).



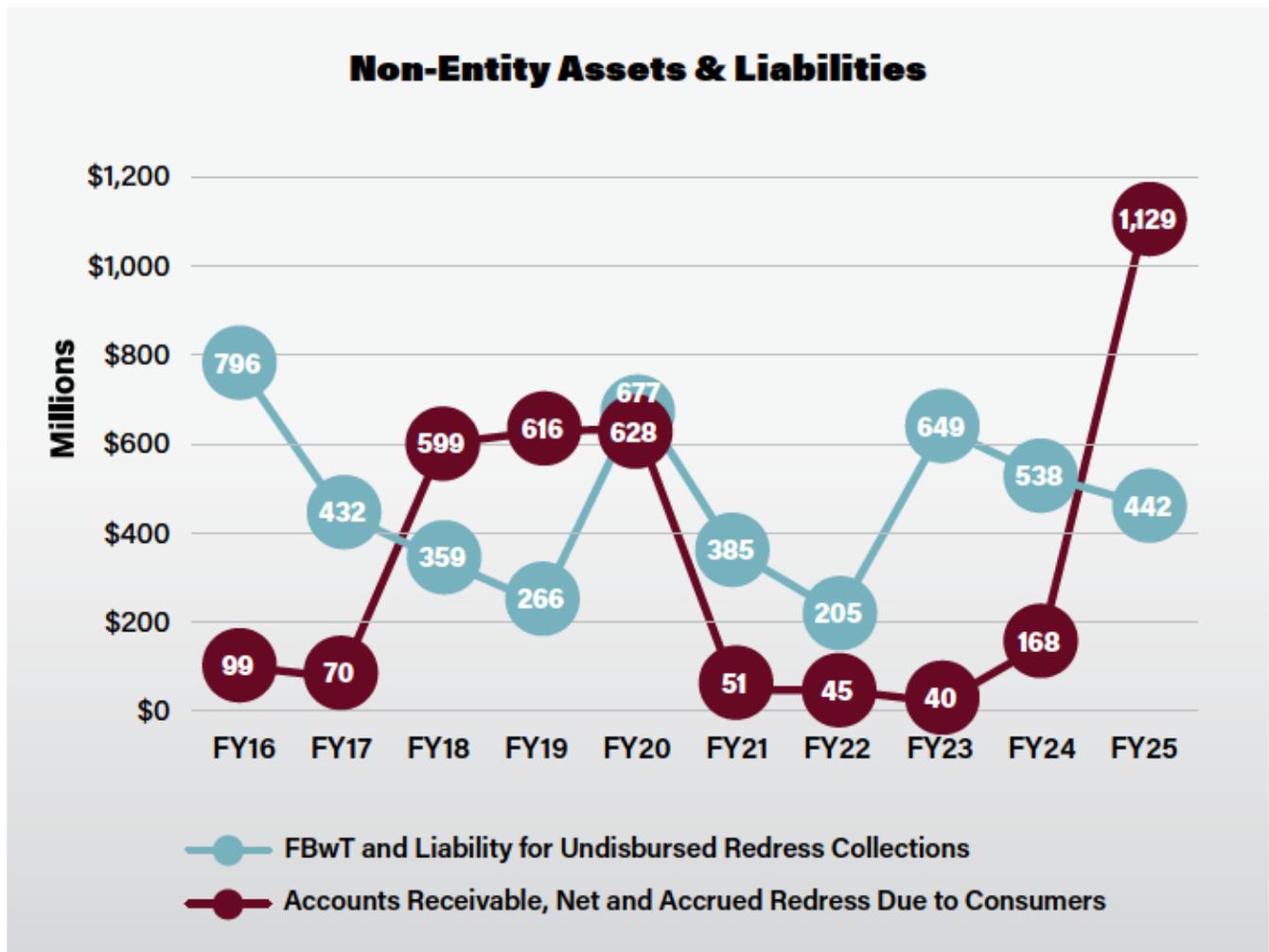
Balance Sheet – Non-Entity

Non-entity assets totaled \$1,571 million, or 90 percent of all FTC assets, as of September 30, 2025. This amount is primarily attributed to an increase in non-entity Fund Balance with Treasury (FBwT), shown in further detail in the charts on the next page.

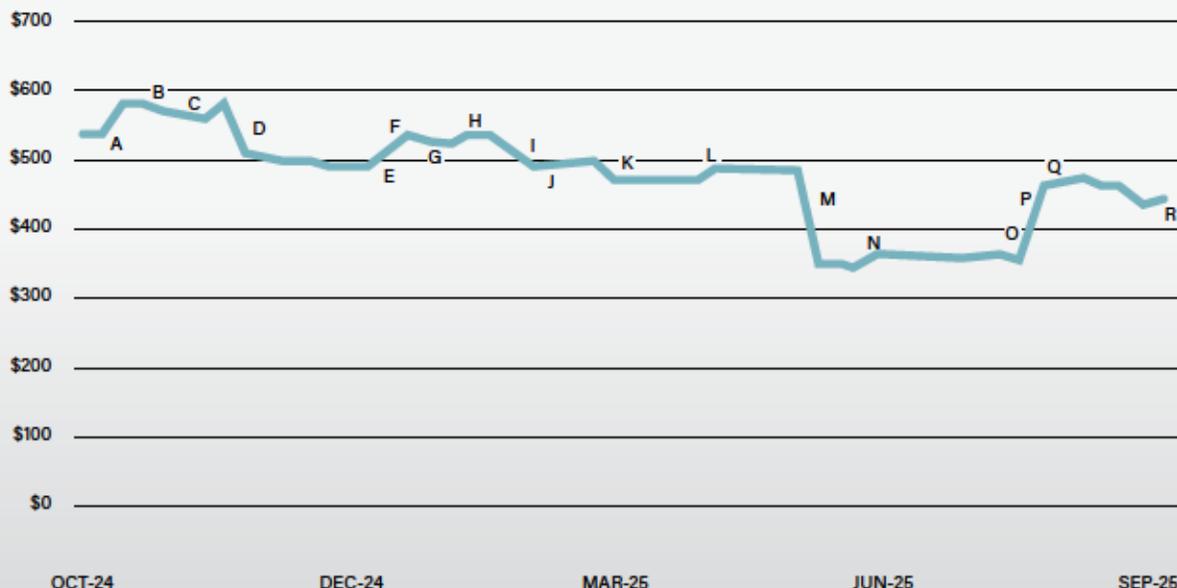
Non-entity assets are equal to, and offset by, non-entity liabilities. The \$1,129 million net accounts receivable balance is offset by the \$1,129 million liabilities for amounts to be collected, while the \$442 million FBwT is offset by the \$442 million liability for redress collections.

The FY 2025 ending net accounts receivable balance of \$1,129 million reflects amounts to be paid to the FTC from court-ordered judgments in the consumer redress program.

The FTC secured a historic \$2.5 billion settlement against Amazon at the end of September of this year. The FTC alleged Amazon created confusing and deceptive user interfaces to lead consumers to enroll in Prime without their knowledge. \$1 billion of the settlement is to be paid to the FTC consumer redress program.



FY 2025 Non-Entity Fund Balance with Treasury Timeline Activity



FY 2025 Non-Entity Fund Balance with Treasury Timeline Activity			
	\$538M	Beginning Balance – FY 2025 Non-Entity Fund Balance with Treasury (All amounts rounded to the million)	
A	\$48M	Invitation Homes Inc.	Collected \$48M from a 2024 Settlement with Invitation Homes Inc, for an alleged array of unlawful actions against consumers, including deceiving renters about lease costs, charging undisclosed junk fees, failing to inspect homes before residents moved in, and unfairly withholding tenants’ security deposits when they moved out.
B	\$23M	Legion Media LLC	Collected \$23M from a 2024 settlement with Legion Media, LLC who allegedly defrauded consumers nationwide by enrolling them, without their knowledge, into continuity plans for CBD and keto-related product that they did not agree to buy.
C	(\$17M)	Bridge It, Inc.	Disbursed \$17M (1,818,930 payments) in refunds to consumers harmed by online cash advance provider Brigit for deceiving consumers with false promises of “instant” cash advances and locked consumers into a monthly membership they couldn’t cancel. This is a result of a 2023 settlement.
D	(\$72M)	Epic Games, Inc.	Disbursed \$72M (629,344 payments) in refunds to consumers who were tricked by Epic Games, maker of the popular video game Fortnite, into making unwanted purchases and unauthorized charges by children without parental consent. This is a result of a 2022 settlement.

FY 2025 Non-Entity Fund Balance with Treasury Timeline Activity			
E	\$25M	Grubhub, Inc.	Collected \$25M from a 2024 Settlement with the food delivery firm Grubhub to settle charges that alleged the company engaged in an array of unlawful practices including deceiving diners about delivery costs, blocking their access to their accounts and funds, deceiving workers about how much money they would make delivering food, and unfairly and deceptively listing restaurants on its platform without their permission.
F	\$20M	Leader Automotive Group	Collected \$20M from a 2025 Settlement with Leader Automotive group, and their parent company AutoCanada, to settle charges that the companies systematically defrauded consumers looking to buy vehicles.
G	(\$20M)	Aqua Finance	Disbursed \$20M (29,653 payments) in refunds to consumers who were harmed by deceptive sales and financing tactics for water filtering and softening products from household water treatment funding company Aqua Finance. This refund is the result of a 2024 settlement .
H	\$7M	H&R Block, Inc.	Collected \$7M from a 2025 settlement with H&R Block, Inc requiring the tax preparation company to compensate consumers harmed by the company's unfairly practices that required consumers seeking to downgrade to a cheaper H&R Block product to contact customer service, deleted user's previously entered data and made deceptive claims about "free" tax filing.
I	(\$26M)	Restoro ReImage	Disbursed \$26M (736,375 payments) to consumers who paid for computer repair services through the deceptive marketing tactics of two tech support companies. This is the result of a 2024 settlement .
J	(\$16M)	Career Step LLC.	Disbursed \$16M (42,794 payments) in refunds to consumers, including servicemembers and their spouses, lured by online career-training company Career Step's deceptive ads and false claims about job placement, career outcomes, externships and hiring partnerships with prominent companies. This is the result of a 2024 order .
K	(\$18M)	Publisher's Clearing House LLC	Disbursed \$18M (281,724 payments) in refunds to consumers who ordered products from Publisher's Clearing House (PCH) based on misleading claims to enter sweepstakes, deceptive emails and shipping and handling fees to return products. This is the result of a 2023 order .
L	\$17M	Cleo AI, Inc.	Collected \$17M from a 2025 settlement with the online cash advance company Cleo AI, Inc to settle charges that alleged the company deceived consumers about how much money they could get, how fast that money could be available and made it difficult for consumers to cancel the subscription service.
M	(\$126M)	Epic Games, Inc.	Disbursed \$126M (969,173 payments) in refunds to consumers who were tricked by Epic Games, maker of the popular video game Fortnite, into making unwanted purchases and unauthorized charges by children without parental consent. This is a result of a 2022 settlement .

FY 2025 Non-Entity Fund Balance with Treasury Timeline Activity			
N	\$10M	Walmart, Inc.	Collected \$10M from a 2025 settlement with Walmart to settle charges that alleged Walmart turned a blind eye to scammers who used its in-store money transfer services to take hundreds of millions of dollars from U.S. consumers.
O	\$100M	Assurance IQ, LLC.	Collected \$100M from a 2025 settlement with Assurance IQ, LLC to settle charges that alleged they misled millions of consumers seeking to buy comprehensive health insurance deceiving consumers and led them to purchase plans that did not provide the promised health care coverage, and bombarded consumers with telemarketing and robocalls.
P	\$14M	Match Group, Inc.	Collected \$14M from a 2025 settlement with Match Group, Inc., to settle charges that alleged they locked consumers out of paid-for accounts, and making it difficult for users to cancel their subscriptions.
Q	\$13M	IM Mastery Academy	Collected \$13M from a 2025 settlement (and here) with defendants to settle charges that alleged they used false or baseless earnings claims to persuade consumers to pay for financial training programs and a multi-level-marketing business venture.
R	\$8M	Chegg, Inc.	Collected \$8M from a 2025 settlement with Chegg, Inc. to settle charges that alleged the education technology provider made it difficult for consumers, namely students and parents, to cancel recurring subscriptions for online learning tools.
	(\$86M)	Net of other activities: \$41M collections - \$127M disbursements, related to 172 additional matters.	
	\$442M	Ending Balance – FY 2025 Non-Entity Fund Balance with Treasury (All amounts rounded to the million)	

Statement of Net Cost

Condensed Statement of Net Cost for the Years Ended September 30, 2025

Dollars in Millions	FY 2025
Protect Consumers:	
Gross Costs	\$ 235
Earned Revenue	(18)
Net Cost, Protect Consumers	217
Maintain Competition:	
Gross Costs	218
Earned Revenue	(282)
Net Cost, Maintain Competition	(64)
Net Cost of Operations	\$ 153

The Statement of Net Cost presents the FTC's gross costs less earned revenue for the agency's two primary strategic goals: protect the public from unfair or deceptive acts or practices in the marketplace (Protect Consumers) and protect the public from unfair methods of competition in the marketplace and promote fair competition (Maintain Competition). A third goal, advance the FTC's effectiveness and performance, has its costs distributed to the other two strategic goals based on the percentage of dollars directly traceable to each goal. The FTC's net cost of operations was \$153 million in FY 2025, which consists of \$453 million in gross costs offset by \$300 million in earned revenue.

The FY 2025 net cost of operations for the Protect Consumers strategic goal is \$217 million, consisting of \$235 million in gross costs offset by \$18 million in earned revenue, the majority of which is attributable to fees collected for the National Do Not Call (DNC) Registry. The FTC receives fees from telemarketers who pay an annual subscription fee to download telephone numbers of consumers who do not wish to receive

calls. The DNC fees are based on the number of area codes that a telemarketer downloads.

The FY 2025 net cost of operations for the Maintain Competition strategic goal is (\$64) million, consisting of \$218 million in gross costs offset by \$282 million in earned revenue, which is primarily revenue from fees collected for premerger notification filings, with a small portion (approximately \$200 thousand) from reimbursable agreements with other Federal agencies. Premerger notification filings are made under the [Hart-Scott-Rodino \(HSR\) Antitrust Improvement Act of 1976](#), which gives the federal government the opportunity to investigate and challenge certain mergers that are likely to harm consumers before injury occurs. The HSR Act requires the filing of premerger notifications with the FTC and the Department of Justice (DOJ) Antitrust Division. The filing fees are determined by the size of the merging parties and the value of the proposed transaction. By law, the premerger filing fees are split evenly between the FTC and the DOJ upon collection.

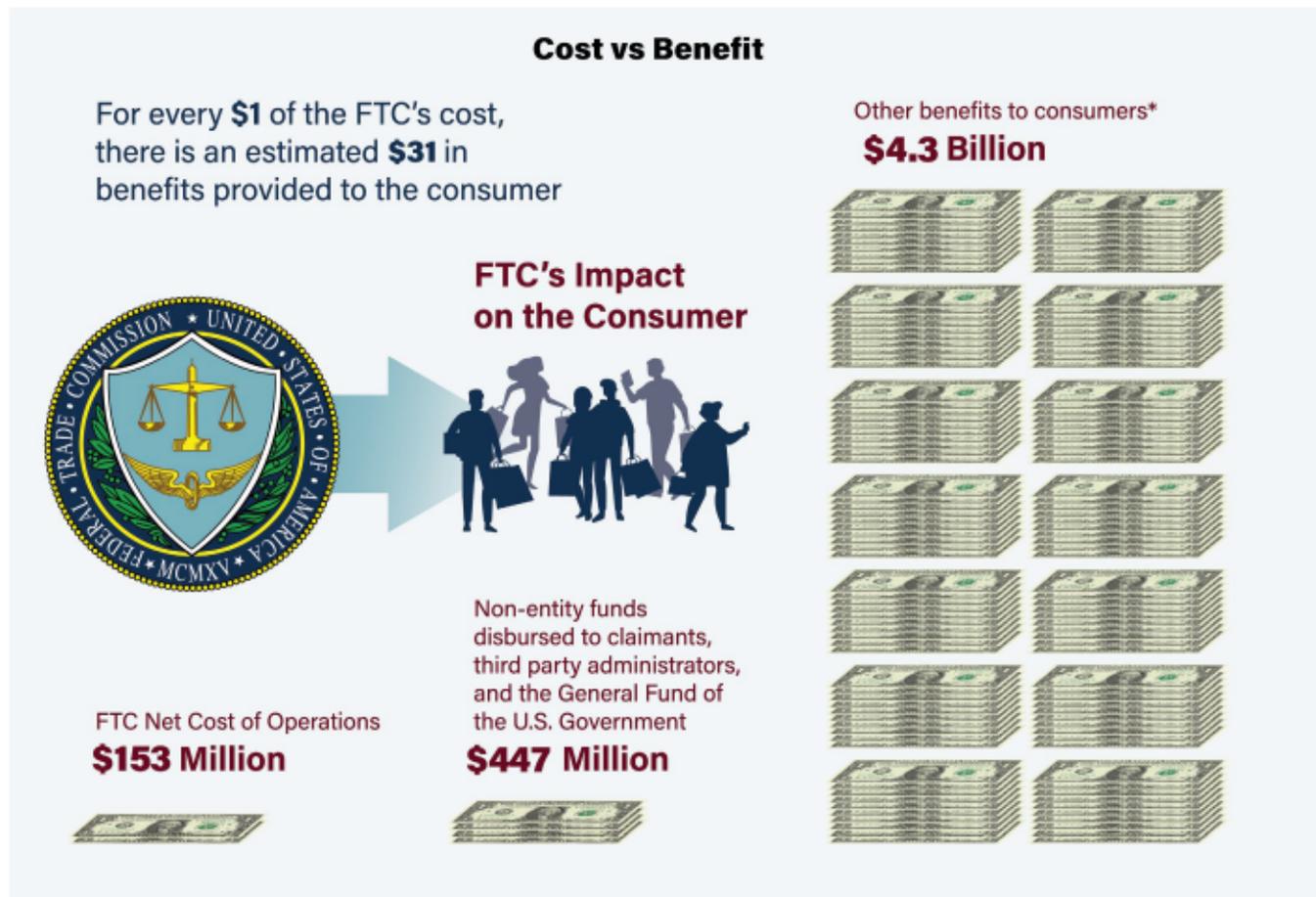
FTC Net Cost of Operations vs. Benefit to Consumers

The FTC had gross costs of \$453 million in FY 2025, offset by \$300 million in earned revenue, resulting in a total net cost of operations of \$153 million. However, a large portion of the FTC's operations result in activity whose benefits are not reflected on the Statement of Net Cost. These important benefits to the public should be considered in determining the overall impact of the agency's strategic goals.

The Statement of Net Cost includes only entity activity. During FY 2025, the FTC returned \$422 million in non-entity collections to consumers and the U.S. Treasury General Fund.

Additionally, the FTC saved consumers an estimated \$4.3 billion through its merger and non-merger competition law enforcement actions and its consumer protection law enforcement actions.

The FTC's cost to protect consumers and maintain competition is a small fraction of the amount the FTC has saved consumers. For FY 2025, the FTC provided an estimated total of \$4.3 billion in benefits to consumers. When this benefit is compared to the \$153 million in net costs, it equates to an estimated \$31 in FTC-provided benefits to consumers for every \$1 of the FTC's cost.



*These estimates were calculated based on performance measures 1.1.2 (consumer savings from consumer protection law enforcement), 2.1.1 (consumer savings and other measurable benefits generated by antitrust enforcement). For more details on measurement and data quality, see the [FTC Data Quality Appendix](#).

FTC Budgetary Resources and How They Were Used

Budget Authority

The FTC receives an annual appropriation that is available until expended, subject to Office of Management and Budget (OMB) apportionment and Congressional restrictions on the expenditure of funds. The FTC's budget authority is derived from a direct appropriation and offsetting collections.

New budget authority for FY 2025 is \$425 million (Including FY 2025 Appropriation, FY 2025 Recoveries, FY 2025 Reimbursable Authority), which includes \$134 million in a direct appropriation and \$291 million in spending

authority from offsetting collections. Offsetting collections consist of FY 2025 collections of \$278 million from fees collected for premerger notification filings under the HSR Antitrust Improvements Act of 1976, \$13 million from fees collected for the National Do Not Call Registry.

Because current year offsetting collections up to the congressionally authorized amount are deducted from gross budget authority and outlays, only 32 percent of the FTC's net budget authority comes from Treasury General Fund appropriations. This reduces the burden the FTC places on the federal budget to \$133 million, which is less than 1/10 of 1 percent of the total non-defense discretionary spending for FY 2025.

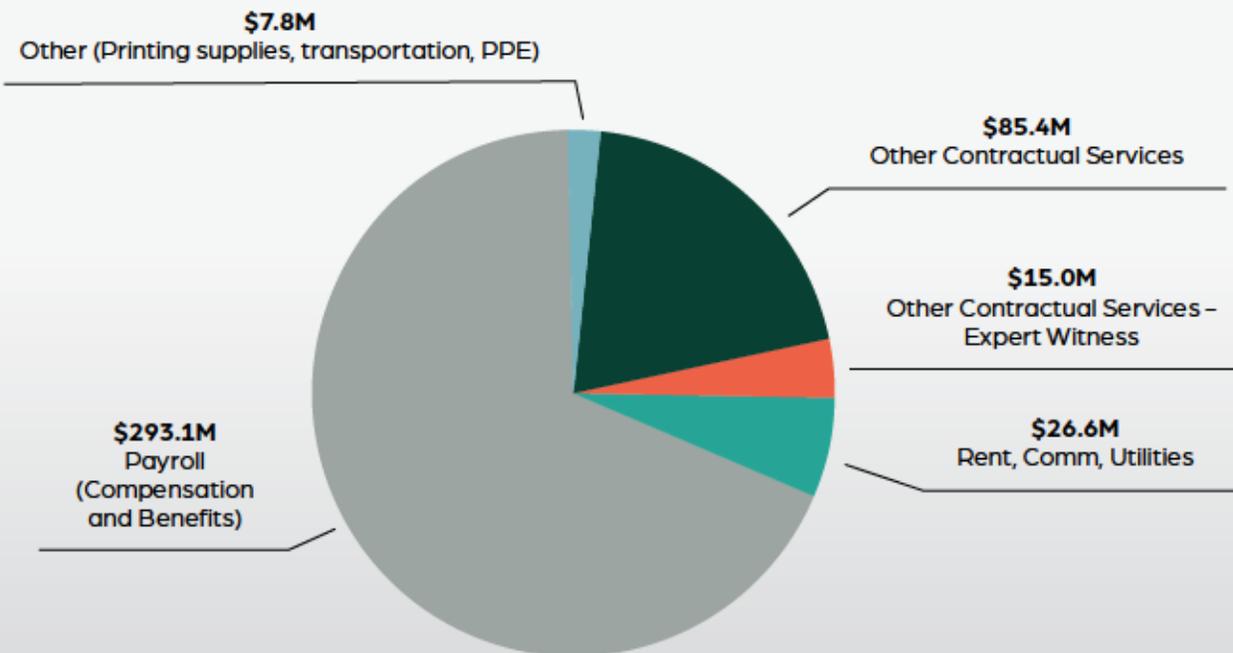


The FTC's FY 2025 Obligations:

In FY 2025, the FTC received \$425 million in new budget authority and authority to obligate \$51 million in its unobligated balance brought forward in addition to \$8 million in recoveries of prior-year obligations and \$4 million in non-expenditure transfers. Pursuant to these authorities, the FTC obligated \$428 million in FY 2025. Payroll spending was \$293 million in FY 2025. Obligations

related to expert witness support services were \$15 million in FY 2025. While the FTC is committed to limiting costs for expert witness services, the agency continues to face pressure from resource constraints as it performs mission-critical work in increasingly complex markets. Obligations for other contractual services were \$85.4 million in FY 2025. Spending on rent, communications, and utilities were \$27 million in FY 2025.

FY 2025 FTC Obligations by Category:



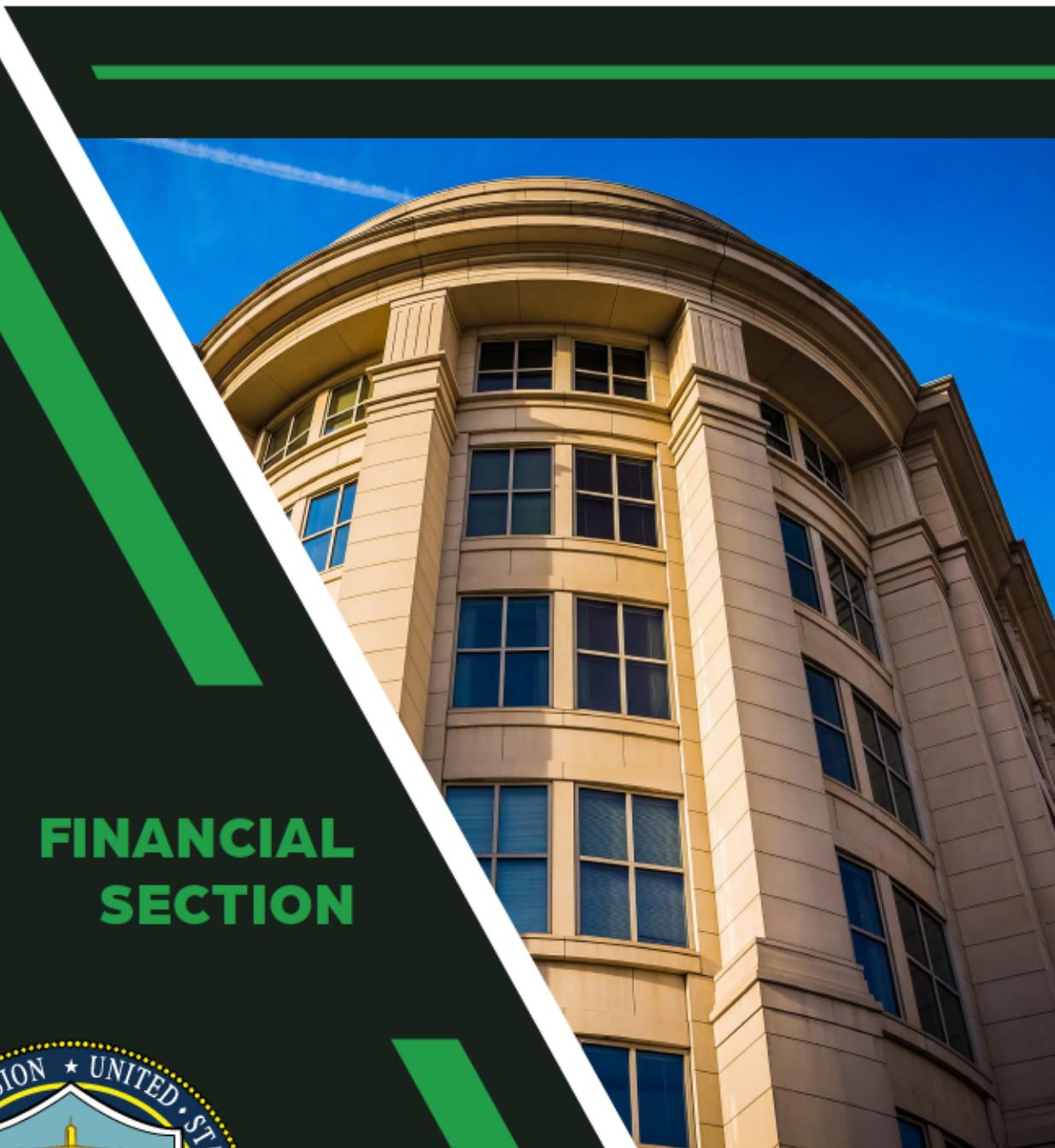
Financial Management Indicators for FY 2025

The following table shows standard indicators developed by the Chief Financial Officers Council and used by the OMB to monitor agencies' financial management practices.

DEBT MANAGEMENT	
Eligible debt transferred to Treasury	100%
FUNDS MANAGEMENT	
Fund balance with Treasury (identifies the difference between the fund balance reported in Treasury reports and the agency fund balance with Treasury recorded in its general ledger)	100% reconciled
PAYMENT MANAGEMENT	
Percentage invoices paid on time (per Prompt Payment Act)	99.96%
Percentage Interest penalties paid to total dollars invoiced	0.00%
Percentage of total dollars outstanding in current status (good standing) for individually billed travel account holders	100%
Percentage of total dollars outstanding in current status (good standing) for centrally billed travel accounts	100%
Percentage of total dollars outstanding in current status (good standing) for purchase cards	100%

Limitations of Financial Statements

The financial statements are prepared to report the financial position, financial condition, and results of operations, consistent with the requirements of 31 U.S.C. § 3515(b). The statements are prepared from records of Federal entities in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.



**FINANCIAL
SECTION**



MESSAGE FROM THE CHIEF FINANCIAL OFFICER



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

I am pleased to present the Agency Financial Report (AFR) for Fiscal Year 2025. The AFR provides a comprehensive view of the FTC's financial activities and demonstrates the FTC's stewardship and management of public funds. The financial statements and corresponding financial analysis, together with the Agency's Performance Highlights, demonstrate how the FTC optimizes its financial resources to protect American consumers and promote competition in the marketplace.

In FY 2025, the FTC has achieved, for the twenty-ninth consecutive year, an unmodified audit opinion from independent auditors. We are very proud of this accomplishment. This sustained achievement is due to the efforts of the Office of the Chief Financial Officer (OCFO) staff, as supported by senior leadership, fund managers, and FTC personnel throughout the agency. This past year, the FTC has demonstrated its commitment to continuous improvement with the following accomplishments:

- No material weaknesses or significant deficiencies in Internal Controls Over Financial Reporting, along with no instances of noncompliance with laws and regulations that are required to be reported under generally accepted government auditing standards
- Completed 15 internal control assessments to determine whether agency internal controls were operating effectively, resulting in no significant findings
- Continued monitoring fraud risk by collecting and analyzing fraud control data from FTC program areas
- Improved collection processing by better leveraging Treasury Shared Services to gain efficiencies
- Utilized budget tracking tools to guide decision making, ensure responsible spending, and monitor progress toward achieving the mission critical objectives of the agency.
- A review of contracts during FY 2025 resulted in 36 contracts being eliminated or descoped realizing annualized savings of approximately \$6.1 million.
- Worked to update the FTC Strategic Plan to reflect administration priorities and reaffirm our commitment to the FTC mission.

The accomplishments outlined in this report are the result of FTC employees' hard work and dedication. The unmodified audit opinion and financial accomplishments reflect an organizational commitment to sound financial management and accountability that the agency hopes earns the trust of the American public. This agency is steadfastly committed to its mission, returning substantial value to the American consumer, and being an exemplary steward of the funds entrusted to it.

David Rebach, Chief Financial Officer
January 16, 2026

INSPECTOR GENERAL'S TRANSMITTAL LETTER FOR AUDIT REPORT



Office of Inspector General

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

January 16, 2026

MEMORANDUM

FROM: Marissa Gould
Acting Inspector General

Handwritten signature of Marissa Gould in cursive.

TO: Andrew N. Ferguson
Chairman

SUBJECT: Report on Audit of the FTC's Fiscal Year 2025 Financial Statements

I am pleased to provide you with the attached audit report required by the Accountability of Tax Dollars Act of 2002, which presents an unmodified opinion on the Federal Trade Commission's (FTC's) fiscal year 2025 financial statements. We commend the FTC for attaining an unmodified (clean) opinion for the 29th consecutive year.

We contracted with the independent public accounting firm of Allmond & Company, LLC, to audit the financial statements of the FTC as of September 30, 2025, and to provide a report on internal control over financial reporting and on compliance with laws and other matters. The audit was performed in accordance with U.S. generally accepted auditing standards, the Government Accountability Office's *Government Auditing Standards*, and Office of Management and Budget guidance.

In its audit of the agency, Allmond & Company reported

- that the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting;¹ and
- no reportable noncompliance with provisions of laws tested or other matters.

Allmond & Company is responsible for the attached auditor's report dated January 16, 2026, and the conclusions expressed in the report. We do not express opinions on the FTC's financial statements or internal control over financial reporting, or conclusions on compliance and other matters.

We appreciate the cooperation given by management to Allmond & Company and the Office of Inspector General during the audit. Please reach out to me if you have any questions or would like to discuss the report.

¹ A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

REPORT OF INDEPENDENT AUDITORS

FEDERAL TRADE COMMISSION

**AUDIT REPORT
SEPTEMBER 30, 2025**



ALLMOND & COMPANY, LLC
Certified Public Accountants
7501 Forbes Boulevard, Suite 200
Lanham, Maryland 20706
(301) 918-8200



ALLMOND & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Chair, Federal Trade Commission
Inspector General, Federal Trade Commission

Report on the Financial Statements

Opinion

In accordance with the Accountability of Tax Dollars Act of 2002, we have audited the Federal Trade Commission (FTC) financial statements. FTC's financial statements comprise the balance sheet as of September 30, 2025; the related statements of net cost, changes in net position, budgetary resources, and custodial activities for the fiscal year then ended; and the related notes to the financial statements.

In our opinion, FTC's financial statements present fairly, in all material respects, FTC's financial position as of September 30, 2025, and its net cost of operations, changes in net position, budgetary resources, and custodial activities for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the FTC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for

- the preparation and fair presentation of the financial statements in accordance U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in FTC's Agency Financial Report, and ensuring the consistency of that information with the audited financial statements and the RSI; and

Independent Auditor's Report

- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-02 will always detect a material misstatement or material weakness when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to an audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FTC's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Required Supplementary Information (RSI)

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required under standards issued by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

Independent Auditor's Report

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

FTC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in FTC's Agency Financial Report. The other information comprises the following sections: *Message from the Chair*; *Performance Highlights*, *FY 2025 Consumer Protection Highlights*, *FY 2025 Antitrust Highlights*, *Message from the Chief Financial Officer*, and *Other Information*. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audit of FTC's financial statements, we considered FTC's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies¹ or to express an opinion on the effectiveness of FTC's internal control over financial reporting. Given these limitations, during our 2025 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

During our audit, we identified deficiencies in FTC's internal control over financial reporting that we do

¹ A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

Independent Auditor's Report

not consider to be material weaknesses or significant deficiencies that, nonetheless, warrant management's attention. We have communicated these matters to FTC management and, where appropriate, will report on them separately.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to FTC's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

Responsibilities of Management for Internal Control over Financial Reporting

FTC management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Consideration of Internal Control over Financial Reporting

In planning and performing our audit of FTC's financial statements as of and for the fiscal year ended September 30, 2025, in accordance with U.S. generally accepted government auditing standards, we considered FTC's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FTC's internal control over financial reporting. Accordingly, we do not express an opinion on FTC's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of FTC's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of FTC's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over

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financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audit of FTC's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2025 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to FTC. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

FTC management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to FTC.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to FTC that have a direct effect on the determination of material amounts and disclosures in FTC's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to FTC. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose for Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Allmond & Company, LLC

Lanham, MD
January 16, 2026

Independent Auditor's Report

Exhibit I

Status of Prior Year Findings and Recommendations

The following table provides the fiscal year (FY) 2025 status of all recommendations included in the Independent Auditor's Report on the FTC's FY 2024 Financial Statements (November 15, 2024).

Finding Name	2024 Recommendations	FY 2025 Status
Financial Statements and Footnotes are Not in Accordance with Generally Accepted Accounting Principles and Office of Management and Budget (OMB) Circular A-136 Reporting Requirements (2024-01)	Recommendations:	
	Improve controls relating to the preparation and review of financial statements and footnotes to prevent or detect and correct errors and omissions.	
	1. Timely implement the most current version of OMB Circular A-136 and the USSGL Treasury Crosswalks to identify changes in data elements, classification, and presentation and ensure that these changes are incorporated into financial statement and footnote templates for current year reporting. A search for new versions of the USSGL Crosswalks and OMB Circular A-136 should be performed each time the financial statements are prepared.	Closed
	2. Increase the precision of the preparation and review process to verify the mathematical accuracy, classification, consistency, and completeness of the financial statements and footnotes.	Closed
3. Proactively and independently initiate discussions with Legal Counsel at least quarterly in order to identify contingent liabilities which should be recognized and/or disclosed in FTC's financial statements and footnotes so that appropriate entries can be recorded prior to the GTAS reporting deadline for that reporting period and all required footnote disclosures can be prepared.	Closed	
4. Document the process for determining the appropriate accounting entries and/or presentation for corrections of errors and other unusual accounting events, including the authoritative guidance that supports the actions to be taken.	Closed	

PRINCIPAL FINANCIAL STATEMENTS

Financial Statement Descriptions

A brief description of the five principal financial statements presented on the following pages is provided:

Balance Sheet

Presents the combined amounts the agency had to use or distribute (assets) versus the amounts the agency owed (liabilities), and the difference between the two (net position).

Statement of Net Cost

Presents the annual cost of agency operations. The gross cost less offsetting revenue is used to determine the net cost.

Statement of Changes in Net Position

Reports the accounting activities that caused the change in net position during the reporting period.

Statement of Custodial Activity

Reports collections and their disposition by the agency on behalf of the Treasury General Fund and one other Federal agency. The FTC acts as custodian and does not have use of these funds. The accompanying Notes to the Financial Statements describe significant accounting policies as well as detailed information on select statement lines.

Statement of Budgetary Resources

Reports how budgetary resources were made available and the status of those resources at fiscal year-end.

Balance Sheet

As of September 30, 2025

(Dollars in Thousands)	FY 2025
Assets (Note 2):	
Intragovernmental:	
Fund Balance with Treasury (Note 3)	\$ 589,300
Accounts Receivable, Net (Note 4)	5
Advances and Prepayments	1,407
Total Intragovernmental Assets	590,712
Other Than Intragovernmental:	
Accounts Receivable, Net (Note 4)	1,128,810
General Property, Plant, and Equipment, Net (Note 5)	25,429
Total Other Than Intragovernmental Assets	1,154,239
Total Assets	\$ 1,744,951
Liabilities (Notes 6 and 7):	
Intragovernmental:	
Accounts Payable	\$ 2,167
Other Liabilities (Note 7)	1,025,336
Total Intragovernmental Liabilities	1,027,503
Other Than Intragovernmental:	
Accounts Payable	10,935
Federal Employee Salary, Leave, and Benefits	
Accrued Funded Payroll and Leave	7,283
Unfunded Leave	15,664
Accrued Redress Due to Claimants (Note 13)	108,577
Undisbursed Redress Collections (Note 13)	441,587
Other Liabilities (Note 7)	2,915
Total Other Than Intragovernmental Liabilities	586,961
Total Liabilities	\$ 1,614,464
Commitments and Contingencies (Note 9)	
Net Position (Note 1(o)):	
Total Unexpended Appropriations	892
Total Cumulative Results of Operations	129,595
Total Net Position	130,487
Total Liabilities and Net Position	\$ 1,744,951

The accompanying notes are an integral part of these statements.

Statement of Net Cost

For the year ended September 30, 2025

(Dollars in Thousands)	FY 2025
Strategic Goal 1: Protect Consumers	
Intragovernmental Costs	\$ 63,878
Public Costs	171,193
Gross Costs, Protect Consumers	235,071
Intragovernmental Earned Revenue	(61)
Public Earned Revenue	(17,711)
Earned Revenue, Protect Consumers	(17,772)
Net Cost, Protect Consumers	217,299
Strategic Goal 2: Maintain Competition	
Intragovernmental Costs	59,201
Public Costs	158,658
Gross Costs, Maintain Competition	217,859
Intragovernmental Earned Revenue	(196)
Public Earned Revenue	(282,199)
Earned Revenue, Maintain Competition	(282,395)
Net Cost, Maintain Competition	(64,536)
Net Cost of Operations	\$ 152,763

The accompanying notes are an integral part of these statements.

Statement of Changes in Net Position

For the year ended September 30, 2025

(Dollars in Thousands)	FY 2025
Unexpended Appropriations:	
Beginning Balance	\$ 3,224
Appropriations Received	133,700
Appropriations Transferred In/Out	375
Appropriations Used	(136,407)
Net Change in Unexpended Appropriations	(2,332)
Total Unexpended Appropriations	892
Cumulative Results of Operations:	
Beginning Balance	120,508
Appropriations Used	136,407
Imputed Financing (Note 10)	25,461
Other	(18)
Net Cost of Operations	(152,763)
Net Change in Cumulative Results of Operations	9,087
Cumulative Results of Operations	129,595
Net Position (Note 1(o)):	\$ 130,487

The accompanying notes are an integral part of these statements.

Statement of Custodial Activity

For the year ended September 30, 2025

(Dollars in Thousands)	FY 2025
Revenue Activity (Note 12):	
Civil Penalties and Fines	\$ 25,358
Consumer Redress	9,807
Other Miscellaneous Receipts	8
Total Cash Collections	35,173
Accrual Adjustments	1,000,213
Total Custodial Revenue	1,035,386
Disposition of Custodial Collections (Note 12):	
Transferred to Treasury General Fund	35,481
Non-Cash Accrual Adjustment	999,905
Total Disposition of Collections	1,035,386
Net Custodial Activity	\$ -

The accompanying notes are an integral part of these statements.

Statement of Budgetary Resources

For the year ended September 30, 2025

(Dollars in Thousands)	FY 2025
Budgetary Resources (Note 11):	
Unobligated Balance Brought Forward, October 1	\$ 52,522
Recoveries of Unpaid Prior Year Obligations	8,203
Other Changes in Unobligated Balance	3,821
Unobligated Balance from Prior Year Budget Authority, Net	64,546
Appropriations	133,700
Spending Authority from Offsetting Collections	291,022
Total Budgetary Resources	\$ 489,268
Status of Budgetary Resources (Note 11):	
New Obligations and Upward Adjustments (Total)	\$ 427,830
Unobligated Balance, End of Year:	
Apportioned, Unexpired Accounts	54,647
Unapportioned, Unexpired Accounts	6,791
Unexpired Unobligated Balance, End of Year	61,438
Unobligated Balance, End of Year (Total)	61,438
Total Budgetary Resources	\$ 489,268
Outlays, Net:	
Outlays, Gross	\$ 429,515
Actual Offsetting Collections	(300,262)
Outlays, Net	129,253
Distributed Offsetting Receipts	(9,837)
Agency Outlays, Net	\$ 119,416

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1—Significant Accounting Policies

(a) Reporting Entity

The reporting entity is a component of the U.S. Government. For this reason, some of the assets and liabilities reported by the Federal Trade Commission (FTC) may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. The financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. The accompanying financial statements and notes of the FTC include financial activity recorded in all funds under the FTC's control. The FTC maintains these funds including appropriations received for salaries and necessary expenses, as well as non-entity funds that are primarily collections derived from court ordered judgments and settlements held for subsequent distribution to approved claimants.

The FTC records and tracks financial activities using Treasury Account Symbols (TAS). Each TAS included in the agency's fund accounting structure is described below:

General Funds

Salaries and Expenses (TAS 29X0100): Each year, this account receives budget authority from an appropriation and offsetting collections, to fund necessary expenses of the agency. Offsetting collections include fees collected for premerger notification filings under the Hart-Scott-Rodino (HSR) Antitrust Improvement Act of

1976, and fees collected for the National Do Not Call Registry, which operates under Section 5 of the FTC Act.

Salaries and Expenses (TAS 29 0100): In FY 2021, the FTC received an appropriation under the American Rescue Plan Act (ARPA). ARPA provides funding to cover cost increases as a result of the COVID-19 pandemic of 2020-2022. Funding for the FTC under ARPA includes payroll costs, consumer education, and monitoring of consumer complaints received into the Consumer Sentinel Network. In May 2023, the Fiscal Responsibility Act of 2023 rescinded all unobligated funds at the time.

Deposit Fund

Consumer Redress Escrow (TAS 29X6013): This account consists of money collected as a result of court ordered judgments related to the consumer redress program and held temporarily by the FTC until distributed (either directly by the FTC or through a third-party agent) to consumers or harmed entities, or transferred to the General Fund of the U.S. Government. Judgments imposed but not yet collected are accrued as accounts receivable and recorded in this account. Accrued receivables and funds collected are considered non-entity assets under the FTC's custody or management. They do not affect the FTC's net position and are not reported on the agency's Statement of Changes in Net Position. (See Note 3, Fund Balance with Treasury and Note

13, Consumer Redress Activities.) For reporting purposes, funds held by redress third party administrators outside of the U.S. Treasury on behalf of harmed consumers are not part of the FTC reporting entity.

Receipt Accounts

Fines, Penalties, and Forfeitures, Customs, Commerce, and Antitrust Laws (TAS 29 1040): Collections of civil penalties imposed in court actions for violations of antitrust acts and FTC orders are deposited into this account. Penalties imposed but not yet collected are accrued as accounts receivable and recorded in this account. The cash balance in the account is transferred to the General Fund of the U.S. Government at the end of each fiscal year.

General Fund Proprietary Receipts (TAS 29 3220): Miscellaneous receipts that by law are not available for the FTC's use are recorded in this account. An example is fees collected under the Freedom of Information Act (FOIA). Furthermore, collections for the consumer redress program for which redress to consumers is not practicable are also recorded in this account. These funds are ultimately disgorged to the U.S. Treasury. The Department of the Treasury automatically transfers all cash balances in this receipt account to the General Fund of the U.S. Government at the end of each fiscal year.

General Fund Proprietary Interest, Not Otherwise Classified (TAS 029 1435): Collections of interest earned from the government's assets, which are not categorized under any other specific interest type.

Miscellaneous Fines, Penalties, and Forfeitures (TAS 029 1099): All other fines, penalties, and forfeitures, other than those arising out of

contracting or similar business transactions. This includes penalties on interest for unpaid employee debts.

Clearing/Suspense Account

Budget Clearing and Suspense (TAS 29F3875): Prior to a systems process change in the first quarter of FY 2021, fees collected for premerger notification filings under the HSR Act were deposited, initially, into the Budget Clearing and Suspense account, then distributed equally to the FTC (as an offsetting collection in the general fund) and the Department of Justice (DOJ). Premerger receipts are now split evenly upon collection between the FTC and the DOJ, eliminating the custodial activity transactions. The Budget Clearing and Suspense account is still used to process refund payments to vendors. (See Note 1(p), Revenues and Other Financing Sources.)

Horseracing Integrity and Safety Authority (HISA)

The FTC reporting entity does not include the Horseracing Integrity and Safety Authority (HISA), a private self-regulatory organization that has been setup to develop rules related to horseracing, including anti-doping, medication control and racetrack safety. The FTC is given broad oversight over the Authority. The FTC, after providing an opportunity for public comment, must approve or disapprove any rule, standard or procedure proposed by HISA. Civil sanctions imposed by the Authority for violations of its rules or standards may be appealed to the Commission.

(b) Basis of Presentation and Accounting

The accompanying financial statements present the financial position, net cost of operations, changes in net position, budgetary resources, and custodial activities of the FTC, and have been

prepared from the accounting records of the FTC. These financial statements may differ from other financial reports submitted pursuant to the Office of Management and Budget (OMB) directives for the purpose of monitoring and controlling the use of the FTC's budgetary resources.

The FTC's financial statements are prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for federal entities, as promulgated by the Federal Accounting Standards Advisory Board (FASAB), and with OMB Circular A-136, Financial Reporting Requirements (as revised in July 2025). Transactions are recorded on both an accrual and a budgetary basis. Accordingly, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. Accrual methods of accounting may differ from budgetary accounting principles, primarily in the capitalization and depreciation of property and equipment, as well as the recognition of other long-term assets and liabilities. The purpose of federal budgetary accounting is to control, monitor, and report on funds made available to federal agencies by law and help ensure compliance with the law. Budget terms commonly used are defined in OMB [Circular A-11, Section 20.3](#). Further information about budget terms and concepts is available in the "Budget Concepts" chapter of the [Analytical Perspectives](#) volume of the President's Budget.

As described in Note 1(a), Reporting Entity, the FTC maintains a primary fund to account for salaries and operating expenses. There are limited intra-entity transactions with any other fund (e.g., deposit fund) that require eliminating entries to present consolidated statements.

Furthermore, the FTC does not currently have any funds classified as dedicated collections which require separate reporting under FASAB Statement of Federal Financial Accounting Standards (SFFAS) 43, Funds from Dedicated Collections. Accordingly, the proprietary financial statements are not labeled consolidated nor is the Statement of Budgetary Resources (SBR) presented as combined. FTC reconciles its intragovernmental activity and works with agency trading partners to reduce significant or material differences in conformance with U.S. Treasury intragovernmental reporting guidelines and requirements of OMB Circular A-136.

Assets, liabilities, revenues, and costs are classified in these financial statements according to the type of entity associated with the transactions. Balances classified as intragovernmental arise from transactions with other federal entities. Balances not classified as intragovernmental arise from transactions with individuals or organizations outside of the Federal Government (i.e., with the public).

The FTC presents net cost of operations by its two major strategic goals: Protect Consumers and Maintain Competition. These goals are described in the agency's strategic and performance plan and align with the agency's major programs.

(c) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For example, estimates are used in computing accounts

payable for vendor service contracts, the allowance for uncollectible accounts, and the allocation of costs to strategic goals in the Statement of Net Cost. Actual results could differ from the estimated amounts. The vendor accounts payable accrual is an estimate and is accrued separately from the accounts payable accruals for travel and interagency agreements. The FTC uses statistical techniques to evaluate vendor accounts payable balances for previous fiscal years, averages the balances to obtain an accrual estimate, and then adjusts the estimate using a factor that represents the proportional change in obligations between the current and the previous fiscal year. Every year, the agency statistically validates that the year-end vendor accounts payable accrual was reasonable. The validated amount is subsequently used in calculating the following year's estimate, which also considers any changes to invoice payment timeframes that may affect the vendor accounts payable statistical assumptions.

(d) Budget Authority

The Congress passes appropriations annually that provide the FTC with authority to obligate funds for necessary expenses to carry out program activities. These funds are available until expended, subject to the OMB apportionment and to congressional restrictions on the expenditure of funds (see FTC's FY 2025 Congressional Budget Justification, page 15, "Appropriations Language Provisions"). In addition, the FTC places internal restrictions on fund expenditures to ensure the efficient and proper use of all funds. The FTC's budget authority is derived from direct appropriations and offsetting collections. The FTC accounts for budget authority in its General Fund accounts

(29X0100 and 29 0100) as reflected in the Statement of Budgetary Resources.

(e) Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

(f) Entity and Non-Entity Assets

The FTC reports on both entity and non-entity assets in the financial statements. Assets that the agency is authorized to use in its operations are entity assets. Assets that the agency holds on behalf of another federal agency or a third party and are not available for the FTC's use are non-entity assets. Non-entity assets include collections and accounts receivable that arise from court-order judgments for monetary relief and civil monetary penalties. These non-entity assets are included in the financial statements along with offsetting non-entity liabilities of equal amount. (See Note 2, Entity and Non-Entity Assets.)

(g) Fund Balance with Treasury

Fund Balance with Treasury (FBwT) is an asset of a reporting entity and a liability of the General Fund of the U.S. Government. Amounts reported for FBwT represent commitments by the federal government to provide resources to particular programs; however, they do not represent net assets to the government as a whole. When a reporting entity seeks to use FBwT to liquidate budgetary obligations, Treasury will finance the disbursements with current receipts or borrow from the public if a deficit exists. On the FTC's financial statements, FBwT represents the aggregate amount of undisbursed funds in the

FTC's general funds, deposit fund, and clearing/suspense fund. The general fund cash balance includes a portion that is available to the FTC to make expenditures and pay liabilities and a portion that is unavailable. Deposit fund and clearing/suspense fund balances are non-entity funds that are temporarily held by the FTC until transferred to another federal agency or distributed to a third party. Fund balances are carried forward into subsequent fiscal years until disbursements are made. (See Note 3, Fund Balance with Treasury.)

(h) Accounts Receivable, Net

Accounts receivable, net of allowances, reflect the FASAB standard for the recognition of losses using the collection criterion of "more likely than not" as prescribed in SFFAS 1, Accounting for Selected Assets and Liabilities. This criterion results in receivable balances that are more conservatively stated than those valued by the private sector under GAAP. FASAB states that it is appropriate to recognize the nature of federal receivables, which, unlike trade accounts of private firms or loans made by banks, are not created through credit screening procedures. Rather, these receivables arise because of the assessment of fines from regulatory violations. In these circumstances, historical experience and economic realities indicate that these types of claims are frequently not fully collectible. Accounts receivable includes estimates of the net cash value from court appointed receivers for which the FTC anticipates the proceeds will be deposited in the Consumer Redress Escrow account (29X6013).

The method used to estimate the allowance for uncollectible accounts consists of individual case analysis by a case manager who assesses the debtor's ability and willingness to pay,

the defendant's payment history, and the probable recovery amount including the value of assets. Based on the litigation and collection status, cases may be referred to the Treasury for collection action. (See Note 4, Accounts Receivable, Net.)

(i) General Property, Plant, and Equipment

The FTC's property, plant, and equipment (PP&E) consists of general equipment used by the agency and capital improvements made to buildings leased from the General Services Administration (GSA) by the FTC for office space, as well as software leased and purchased from vendors.

Effective October 1, 2014, capitalization thresholds are as follows:

Asset Type	Capitalization Threshold
Furniture	\$ 50,000
General Equipment	\$ 50,000
IT Equipment	\$ 150,000
Leasehold Improvements	\$ 150,000
Internal Use Software	\$ 200,000

The FTC reports property and equipment at historical cost and capitalizes acquisitions based on the above thresholds for items with a useful life of two or more years. Property and equipment that meet these criteria are depreciated or amortized using the straight-line method over the estimated useful life of the asset. An exception applies to leasehold improvements, which are amortized over the lesser of the useful life of the asset or the remaining lease term. Assets under development, such as internal use software and leasehold improvements with an estimated aggregate cost meeting the threshold criteria, are capitalized and then amortized once

completed and placed into service. Normal repairs and maintenance, and PP&E that do not meet the capitalization criteria, are recognized as an expense in the current period. (See Note 5, General Property, Plant, and Equipment, Net.)

(j) Accrued Liabilities and Accounts Payable

Accrued liabilities and accounts payable represent a probable future outflow or other sacrifice of resources from past transactions or events. Liabilities are recognized when they are incurred, regardless of whether they are covered by budgetary resources. The FTC has both entity and non-entity liabilities. Entity liabilities cannot be liquidated without legislation that provides the resources to do so. In addition, the government, acting in its sovereign capacity, can abrogate the FTC's liabilities (other than contracts). Non-entity liabilities represent claims against non-entity assets and include undisbursed consumer redress collections, accrued redress amounts due to claimants, and the custodial liability for amounts owed to the General Fund of the U.S. Government.

(k) Employee Health Benefits and Life Insurance

FTC employees are eligible to participate in the contributory Federal Employees' Health Benefit Program (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGSIP) administered by the Office of Personnel Management (OPM). The FTC contributes a percentage to each program to pay for current benefits. In accordance with FASAB SFFAS 5, Accounting for Liabilities of the Federal Government, the FTC recognizes the liability and associated expense for health and life insurance benefits at the time the employee's services are rendered.

(l) Employee Retirement Benefits

FTC employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS) administered by the OPM. Employees hired after December 31, 1983, are covered by FERS and Social Security, while employees hired prior to January 1, 1984, were allowed to elect joining FERS or remaining in CSRS. For employees participating in CSRS, the FTC contributes 7 percent of the employee's basic pay to the Civil Service Retirement and Disability Fund. For employees participating in FERS, the FTC contributes 18.4 percent to the Federal Employees' Retirement Fund. New employees hired between January 1 and December 31, 2013, participate in FERS-RAE (Revised Annuity Employees). New employees hired on or after January 1, 2014, participate in FERS-FRAE (Further Revised Annuity Employees). The FTC contributes 16.5 percent for both FERS-RAE and FERS-FRAE. In addition, the FTC contributes the employer's matching share to the Social Security Administration under the Federal Insurance Contributions Act (FICA), which fully covers FERS participating employees. FTC contributions are recognized as current operating expenses.

The Thrift Savings Plan (TSP) is a defined contribution retirement savings and investment plan for employees covered by either CSRS or FERS. Participating employees may contribute any dollar amount or percentage of basic salary to the TSP, not to exceed an annual dollar limit set by law. In calendar year 2025, the annual contribution limit is \$23,500 and employees aged 50-59 and 60 and over may contribute an additional \$7,500 in catch-up contributions. Employees aged 60-63 may contribute an

additional \$11,250 in catch-up contributions. For those employees participating in FERS, the FTC makes a mandatory 1 percent contribution to this plan and, in addition, matches 100 percent of the first 3 percent contributed by employees and 50 percent of the next 2 percent of employee contributions. CSRS-participating employees do not receive a matching contribution from the FTC. The FTC contributions to the TSP are recognized as current operating expenses.

The FTC does not report CSRS and FERS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to its employees. This information is reported by the OPM; however, the FTC recognizes the full cost of providing future pension benefits to covered employees at the time the employees' services are rendered using cost factors provided by the OPM that estimate the true service cost of providing the pension benefits. Contributions made by the FTC and its employees do not cover the full cost of retirement benefits. The FTC recognizes the excess of the true service cost over amounts contributed as an imputed cost to achieve compliance with SFFAS 5. This additional cost is financed by the OPM and has no impact on the budgetary resources of the FTC. Imputed costs are reported as expenses on the Statement of Net Cost with offsetting imputed financing sources reported on the Statement of Changes in Net Position. (See Note 14, Reconciliation of Net Operating Cost and Net Budgetary Outlays.)

(m) FECA and Other Post-Employment Benefits

The Federal Employees' Compensation Act (FECA) administered by the U.S. Department of Labor (DOL) provides income and medical cost

protection to covered Federal civilian employees injured on the job, and employees who have incurred a work-related injury or occupational disease. The DOL bills the FTC annually for the claims paid and the FTC recognizes the FECA liability for future payment. Payment is deferred for two years to allow for funding through the budget. The FTC also recognizes a FECA actuarial liability, which is an estimate for the future workers compensation as a result of past events using procedures developed by the DOL to estimate the liability. FECA liabilities are reported as not covered by budgetary resources. (See Note 6, Liabilities Not Covered by Budgetary Resources.)

FTC employees eligible to participate in the FEHBP and the FEGLIP may continue to participate in these programs after their retirement. The FTC recognizes a current cost of providing post-retirement benefits using cost factors provided by the OPM that estimate the true cost of providing these benefits to current employees. The cost of providing post-retirement benefits for the FEHBP and FEGLIP is financed by the OPM and recognized as an imputed financing source by the FTC. (See Note 14, Reconciliation of Net Operating Cost and Net Budgetary Outlays.)

(n) Annual and Sick Leave

The FTC accrues an annual leave liability when employees earn leave and reduces the liability when employees take leave. The balance in this account reflects the current leave balances and pay rates of the FTC employees. Budget execution rules do not allow this liability to be funded as earned. The liability is funded when leave is taken or when paid out as a lump sum at the end of employment. As a result, accrued annual leave is reported as not covered by

budgetary resources. Sick leave is non-vested and expensed as used. (See Note 6, Liabilities Not Covered by Budgetary Resources.)

(o) Net Position

The portion of the FTC's budget authority funded by its no-year direct appropriation is fully expended during the year.

Cumulative results of operations represent the net results of operations since the agency's inception, the cumulative amount of prior period adjustments, the remaining net book value of capitalized assets, and future funding requirements. (See Statement of Changes in Net Position.)

(p) Revenues and Other Financing Sources

As a component of the Government-wide reporting entity, the FTC is subject to the federal budget process, which involves annual appropriations. The financial transactions that are supported by budgetary resources, which include appropriations, are generally the same transactions reflected in agency and Government-wide financial reports. In addition to an annual appropriation provided by the Congress, the FTC's activities are financed through exchange revenues it receives from others. Intragovernmental exchange revenues arise from reimbursable transactions with other federal entities. The FTC provides consulting and technical assistance aimed at developing sound competition policies under interagency agreements. Reimbursable revenue is recognized as expenses are incurred.

The majority of the FTC's exchange revenues are from the public, consisting of fees collected for premerger notification filings under the HSR Act and fees collected for the National Do Not Call (DNC) Registry. The HSR Act establishes a waiting

period before mergers, acquisitions, or transfers of assets that meet or exceed certain thresholds may be completed. Entities must file premerger notifications with the FTC and the Antitrust Division of the DOJ. HSR fees are split equally between the FTC and the DOJ with fees determined by the values and sizes of involved parties. As mandated by an amendment to the Clayton Act, the FTC revises the jurisdictional threshold requirements annually based on the change in gross national product. The DNC Registry Fee Extension Act of 2007 established a permanent fee structure for the DNC registry and provides that fees be reviewed annually and adjusted for inflation, as appropriate. Telemarketers must pay an annual subscription fee and download a list of telephone numbers of consumers who do not wish to receive calls. Fees are based on the number of area codes downloaded. Revenues for both HSR and DNC fees are recognized upon collection.

The reporting entity's budgetary resources reflect past congressional action and enable the entity to incur budgetary obligations, but they do not reflect assets to the federal government as a whole. Budgetary obligations are legal obligations for goods, services, or amounts to be paid based on statutory provisions. After budgetary obligations are incurred, Treasury will make disbursements to liquidate the budgetary obligations and finance those disbursements in the same way it finances all disbursements, which, is to borrow from the public if there is a budget deficit.

(q) Methodology for Assigning Costs and Exchange Revenues

The FTC allocates costs and exchange revenues on the Statement of Net Cost to its two major strategic goals: Protect Consumers and Maintain

Competition. Costs and exchange revenues that are identified specifically with each of these two strategic goals are charged or credited directly. Costs not directly attributable to these two goals, including costs related to the FTC's third goal, Advance Performance, are allocated based on the percentage of dollars directly traceable to each of these two goals.

Note 2—Entity and Non-Entity Assets

The FTC's entity assets are comprised of undisbursed general funds; accounts receivable; advances and prepayments; and property, plant, and equipment. Accounts receivable, net, represents amounts due from other Federal agencies, current and former employees, and vendors. Advances and prepayments include amounts paid to the Department of Transportation for transit subsidies on behalf of FTC employees as well as amounts paid to the Department of Defense for employee

(r) Significant Changes in Presentation

As per OMB Circular A-136, some changes have been made to the presentation of these financial statements that may affect how the reader interprets them. Specifically, the statements and footnotes for FY25 have shifted to a single-year presentation, rather than a two-year comparative presentation.

background investigations, Office of Personnel Management for credit monitoring and use of USAJobs, and The Library of Congress for FEDLINK subscriptions. The FTC's non-entity assets include fund balance with Treasury and accounts receivable. The fund balance with Treasury consists of amounts held temporarily in a deposit fund pending disbursement to harmed consumers for redress. Accounts receivable, net, is the estimated amount collectible on consumer redress judgments and civil penalties.

Entity and Non-Entity Assets consisted of the following as of September 30, 2025:

(Dollars in Thousands)	2025 Entity	2025 Non-Entity	2025 Total
Intragovernmental:			
Fund Balance with Treasury:			
General Funds	\$ 147,708	\$ -	\$ 147,708
Deposit Funds - Consumer Redress	-	441,587	441,587
Clearing Funds - Premerger Filing Fees	-	5	5
Accounts Receivable, Net	5	-	5
Advances and Prepayments	1,407	-	1,407
Total Intragovernmental Assets	149,120	441,592	590,712
Accounts Receivable, Net	120	1,128,690	1,128,810
Property, Plant and Equipment, Net	25,429	-	25,429
Total Assets	\$ 174,669	\$ 1,570,282	\$ 1,744,951

Note 3—Fund Balance with Treasury

There are no material differences between amounts reported by the FTC and those reported to U.S. Treasury as of September 30, 2025. In terms of the relationship to the budget, the FTC's Fund balance with Treasury (FBWT) consists of undisbursed appropriated funds, which are

either unobligated or obligated, as well as non-budgetary deposit funds arising from amounts collected for consumer redress and not yet disbursed to disbursing agents or directly to claimants. The unobligated balance includes both available and unavailable balances.

Fund Balance with Treasury consisted of the following as of September 30, 2025:

(Dollars in Thousands)	2025
Status of Fund Balance with Treasury:	
Unobligated Balance:	71,235
Obligated Balance Not Yet Disbursed	76,473
Non-Budgetary Fund Balance with Treasury	441,592
Total Fund Balance with Treasury	\$ 589,300

Note 4—Accounts Receivable, Net

The majority of the FTC's accounts receivable are non-entity accounts receivable arising from the settlement or litigation of administrative and federal court cases in connection with the consumer redress program, and from civil monetary penalties imposed for violation of an FTC order and/or antitrust acts. Because of the nature of these receivables, they are frequently not fully collectible and are offset with a significant allowance. The allowance for uncollectible accounts is based on

an analysis by a case manager who assesses the debtor's ability and willingness to pay, the defendant's payment history, and the probable recovery amount including the value of assets. These non-entity accounts receivable are included in the financial statements along with offsetting non-entity liabilities. Non-entity redress gross accounts receivable is the court ordered judgment amount, usually a calculated amount of ill-gotten gains by the defendant(s).

Accounts Receivable, Net consisted of the following as of September 30, 2025:

(Dollars in thousands)	Gross Receivables	Allowance for Uncollectible Accounts	2025 Net
Entity Accounts Receivable:			
Intragovernmental	\$ 5	\$ -	\$ 5
With the Public	120	-	120
Total Entity Accounts Receivable	125	-	125
Non-Entity Accounts Receivable:			
Consumer Redress	786,441	(677,864)	108,577
Civil Penalties	1,084,828	(64,715)	1,020,113
Total Non-Entity Accounts Receivable	1,871,269	(742,579)	1,128,690
Total Accounts Receivable	\$ 1,871,394	\$ (742,579)	\$ 1,128,815

Note 5—General Property, Plant, and Equipment, Net

The following represents the FTC’s capital assets and accumulated depreciation as of September 30, 2025. No asset impairments were recognized this year. Current year depreciation and amortization expense is \$4,491 thousand,

including \$654 thousand of Lessee Lease Amortization from SFFAS 54 Guidance. Asset retirements equaled \$1,231 thousand but had no impact to the Net Book Value as the assets were fully depreciated.

Property, Plant, and Equipment, Net consisted of the following as of September 30, 2025:

Asset Class (Dollars in thousands)	Service Life	Acquisition Value	Accumulated Depreciation/ Amortization	Net Book Value
Equipment	5–20 Years	\$ 11,585	\$ (8,450)	\$ 3,135
Leasehold Improvements	15 Years	48,089	(36,700)	11,389
Software	5 Years	19,744	(10,421)	9,323
Lessee Right-to-Use Asset	4–5 Years	2,904	(1,322)	1,582
Total Property, Plant, and Equipment		\$ 82,322	\$ (56,893)	\$ 25,429

Note 6—Liabilities Not Covered by Budgetary Resources

The FTC recognizes two categories of liabilities not covered by budgetary resources described below:

Liabilities not Covered by Budgetary Resources

Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when the Congressional action occurs, when the liabilities are liquidated, Treasury will finance the liquidation in the same way that it finances all other disbursements, which is to use current receipts in the event of a budget surplus or borrow from the public in the event of a budget deficit. These liabilities include unfunded FECA liabilities, accrued annual leave, and fees owed to other federal agencies.

Liabilities Not Requiring Budgetary Resources

Liabilities that do not require the use of budgetary resources are covered by monetary

assets that are not budgetary resources to the entity (non–entity assets). These include:

Accrued Civil Penalties due to Treasury—offsetting liability to non–entity accounts receivable for civil penalties, net, that upon collection will be payable to the General Fund of the U.S. Government.

Undisbursed Redress Collections—offsetting liability to the non–entity deposit fund balance for consumer redress that is payable to approved claimants.

Accrued Redress due to Claimants—offsetting liability to the non–entity accounts receivable for consumer redress that upon collection will be payable to approved claimants.

Liabilities Not Covered by Budgetary Resources consisted of the following as of September 30, 2025:

(Dollars in thousands)	Not Covered by Budgetary Resources	Not Requiring Budgetary Resources	FY 2025 Total
Intragovernmental Liabilities:			
FECA Liability	\$ 1	\$ -	\$ 1
Employment-Related Liability	87	-	87
Fees Owed under Interagency Agreements	3,520	-	3,520
Accrued Civil Penalties and Receipts Due to Treasury	-	1,020,113	1,020,113
Total Intragovernmental Liabilities	3,608	1,020,113	1,023,721
Non-Federal Liabilities:			
Accrued Leave	15,664	-	15,664
Actuarial FECA	3	-	3
Undisbursed Redress Collections	-	441,587	441,587
Accrued Redress Due to Claimants	-	108,577	108,577
Unfunded Lessee Lease Liabilities	1,712	-	1,712
Contingencies	950	-	950
Total Non-Federal Liabilities	18,329	550,164	568,493
Total Unfunded Liabilities	21,937	1,570,277	1,592,214
Liabilities Covered by Budgetary Resources			22,250
Total Liabilities			\$ 1,614,464

Note 7—Other Liabilities

As of September 30, 2025, components of amounts reported on the Balance Sheet as Other Intragovernmental Liabilities and Other Liabilities (Other Than Intragovernmental) are presented below. FECA liabilities are long-term in nature and are not funded with budgetary resources while accrued employee benefits and accrued funded payroll and leave are covered by budgetary resources. For Government-wide

reporting, the liabilities for Accrued Redress Due to Claimants and Undisbursed Redress Collections are reported as Other Liabilities in the Financial Report of the U.S. Government. Because these liabilities are material to the FTC, they are displayed as separate line-items on the agency's Balance Sheet. (See Note 6, Liabilities Not Covered by Budgetary Resources.)

Other Liabilities consisted of the following as of September 30, 2025:

(Dollars in Thousands)	2025
Intragovernmental Liabilities:	
Accrued Employee Benefits	\$ 1,702
FECA Liability	1
Fees Owed under Interagency Agreements	3,520
Accrued Civil Penalties and Receipts Due to Treasury	1,020,113
Total Intragovernmental Liabilities	1,025,336
Other Than Intragovernmental Liabilities:	
Employer Contributions and Payroll Taxes payable	245
Actuarial FECA Liability	3
Unfunded Lessee Lease Liability	1,712
Contingent Liabilities	950
Deposits in Clearing Funds	5
Total Other Than Intragovernmental Liabilities	2,915
Total Other Liabilities	\$ 1,028,251

Note 8—Leases

Federal reporting entities are required to report a right-to-use lease asset and a lease liability for non-intragovernmental, non-short-term contracts or agreements, when the entity has the right to obtain and control access to economic benefits or services from an underlying property, plant, or equipment asset for a period of time in exchange for consideration under the terms of the contract or agreement. Intragovernmental leases of government-owned and commercial-owned property are made through and managed by the GSA. While leases with the GSA are cancellable, the FTC's intention is to stay in the

GSA leased space and disclose the amounts that will be paid in the future to the GSA undersigned lease agreements. The FTC currently leases spaces from four government-owned properties and seven commercial properties totaling approximately 590 thousand square feet for use as offices, storage, and parking. The FTC's government leases expire on various dates through 2029, while the commercial leases expire at various dates through 2033. Future annual lease expenses owed to GSA on contracts for space and fleet with remaining terms in excess of one year are presented in the table below.

Intragovernmental Annual Lease Expense consisted of the following as of September 30, 2025:

Fiscal Year (dollars in thousands)	Asset Category	
	Space	Fleet
2026	9,945	
2027	9,841	
2028	8,937	
2029	8,330	
2030	1,019	
Thereafter	1,236	
Total Intragovernmental Lease Expense	\$ 39,308	\$ -

FTC also has two leases that are other than short-term leases, contracts or agreements that transfer ownership, and intragovernmental leases. The two leases are Right-To-Use operating leases with no cancellation clause. The first lease is a 5-year lease with Park America, Inc. for parking spaces, with no expected variable lease

payments beyond what is in the lease liability. The second lease is a 4-year lease with Supply Source DC LLC for warehouse storage, with no expected variable lease payments beyond what is in the lease liability. These leases are included in Note 5 PP&E and Note 6 & 7 (Liabilities) and shown separately in the tables below.

As of September 30, 2025:

RTU Lease Assets (Separate from PP&E/Dollars in thousands)	Asset Amount	Accumulated Amortization	Net Asset Amount
Parking Spaces	\$ 1,603	\$ (802)	\$ 801
Warehouse Storage	1,301	(520)	781
Totals	\$ 2,904	\$ (1,322)	\$ 1,582

As of September 30, 2025:

Fiscal Year (Dollars in thousands)	Principal	Interest	Total
2026	\$ 672	\$ 61	\$ 733
2027	729	31	760
2028	311	7	318
Totals	\$ 1,712	\$ 99	\$ 1,811

Note 9—Commitments and Contingencies

The FTC has 1 Probable legal contingency. The Probable contingency is estimated to be within a range of \$950 thousand and \$3,250 thousand as of 9/30/2025 and is recognized as a contingent liability.

Contingent Liabilities as of September 30, 2025:

(Dollars in Thousands)	Accrued Liabilities	Estimated Range of Loss	
		Lower End	Upper End
FY 2025			
Legal Contingencies:			
Probable	\$950	\$950	\$3,250
Reasonably Possible	-	-	-

Note 10—Inter-Entity Costs

Goods and services may be received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. In accordance with accounting standards, certain costs of the providing federal entity that are not fully reimbursed are recognized as imputed costs in the Statement of Net Cost and are offset by imputed financing sources in the Statement of Changes in Net Position. Such imputed costs and financing sources relate to employee benefits paid by the OPM and judgments paid out of the Treasury Judgment Fund. No other unreimbursed costs of goods and services are included in the FTC's financial statements as imputed costs and imputed financing sources.

Note 11—Statement of Budgetary Resources

In addition to future lease commitments discussed in Note 8, the FTC is committed under obligations for goods and services that have been ordered but not yet received. Aggregate undelivered orders are presented in the table below.

Undelivered obligations consisted of the following as of September 30, 2025:

(Dollars in Thousands)	2025
Non-Federal Undelivered Orders Unpaid	\$ 49,365
Non-Federal Undelivered Orders Paid	-
Total Non-Federal Undelivered Orders	49,365
Federal Undelivered Orders Unpaid	4,924
Federal Undelivered Orders Paid	1,407
Total Federal Undelivered Orders	6,331
Total Undelivered Orders	\$ 55,696

The Budget of the United States Government (President's Budget) contains budget proposals for the upcoming fiscal year along with forecasted results for the current fiscal year and actual results for the previous fiscal year. The most current version of the President's Budget is the FY 2026 President's Budget, which contains FY 2024 actual results. There are no material differences between amounts reported in the FY 2024 Statement of Budgetary Resources and the FY 2024 actual amounts as reported in the FY 2026 President's Budget; however, the Statement of Budgetary Resources includes Distributed Offsetting Receipts, which are excluded from the President's Budget. The FY 2027 Budget of the United States Government is not available to compare FY 2025 actual amounts to the FY 2025 Statement of Budgetary Resources. The expected availability for this report is February 2026 on the [OMB's website](#).

Note 12—Custodial Activities

The primary custodial activities of the FTC are:

Premerger Filing Fees

Fees collected for premerger notification filings under the HSR Act are divided evenly between the FTC and the DOJ. In FY 2021, the FTC implemented a new collection process for the Premerger filing fees. Collections are now split evenly between the FTC and the DOJ upon receipt. Under the previous method, the FTC collected the full amount and remitted half to the DOJ, which resulted in a custodial liability and custodial transfers. As of September 30, 2025 the FTC collected \$282,191 thousand in HSR premerger filing fees.

Civil Penalties

Civil monetary penalties and antitrust violations collected in connection with the settlement or litigation of the FTC's administrative or Federal court cases are collected by either the FTC or the DOJ as provided by law. In those situations where the FTC collects the penalties, the funds are deposited in a receipt account with the Treasury. Civil penalties collected also include amounts collected for undecided civil penalty cases that are held until final disposition of the cases. All civil

penalties collected are transferred to the General Fund of the U.S. Government at the end of the fiscal year. In FY 2025, the FTC collected \$20 million from Cognosphere, Inc., creator of the popular video game Genshin Impact for violating the Children's Online Privacy Protection Act (COPPA).

Consumer Redress

Collections for consumer redress reported on the Statement of Custodial Activity are limited to those collections that have been disgorged to the Treasury. Net disgorgements to the Treasury were \$9,807 thousand as of September 30, 2025.

Accrual Adjustments and Amounts Yet to Be Transferred

Accrual adjustments represent the change in accounts receivable, net of allowances for uncollectible accounts, for civil penalties assessed in court actions. Amounts yet to be transferred represent the change in the offsetting liability for civil penalties due to Treasury that is established at the time an accounts receivable for civil penalties is recorded.

Note 13—Consumer Redress Activities

The FTC obtains funds for consumer redress in connection with the settlement or litigation of both administrative proceedings and Federal court cases. The FTC holds redress funds in a deposit fund at Treasury until a determination is made on the practicability of redress. The FTC attempts to distribute funds to injured parties whenever possible. If redress is determined to be practicable, funds are either directly disbursed by the FTC to claimants or are transferred to accounts at financial institutions from which redress third party administrators process claims and disburse proceeds to injured parties.

Disbursements to claimants and third-party administrators totaled \$411,904 thousand as of September 30, 2025.

In those cases where consumer redress is not practicable, funds are transferred (disgorged) to the Treasury, or on occasion, used for consumer education or another purpose as directed by the final order issued by the court. Major components of the redress program include eligibility determination, claimant notification, and administration of redress to claimants.

Redress fund activities consisted of the following as of September 30, 2025:

(Dollars in Thousands)	2025
Consumer Redress:	
Fund Balance with Treasury	
Beginning Balance	\$ 537,849
Collections	325,449
Disbursements to Claimants and Third Party Administrators for Redress, Net	(411,904)
Disgorgements to Treasury, Net	(9,807)
Total Fund Balance with Treasury, Ending	\$ 441,587
Accounts Receivable, Net	
Beginning Balance	\$ 147,368
Net Activity	(38,791)
Total Accounts Receivable, Ending	\$ 108,577

Note 14—Reconciliation of Net Operating Cost and Net Budgetary Outlays

In accordance with the requirements of SFFAS 7, Accounting for Revenue and Other Financing Sources, as amended by SFFAS 53, Budget and Accrual Reconciliation, the schedules presented below bridge the gap between the net operating costs presented on the Statement of Net Cost and the net outlays presented on the Statement

of Budgetary Resources for the fiscal year ended September 30, 2025. Net cost is calculated on an accrual basis while net outlays consist of the receipt and use of cash from a budgetary basis. This reconciliation assures the integrity of relationships between proprietary and budgetary accounting.

Reconciliation of Net Operating Cost and Net Budgetary Outlays as of September 30, 2025:

(Dollars in thousands)	FY 2025		
	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)	\$ 122,822	\$ 29,941	\$ 152,763
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Depreciation and Amortization	-	(4,491)	(4,491)
Losses on Asset Dispositions	-	(1)	(1)
Increase/(Decrease) in Assets	858	30	888
(Increase)/Decrease in Liabilities	110	1,712	1,822
Imputed Costs	(25,461)	-	(25,461)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	(24,493)	(2,750)	(27,243)
Components of Budget Outlays Not Part of Net Operating Cost			
Purchases of Assets	97	2,380	2,477
Transfers Out (In) Without Reimbursement	-	-	-
Total Components of Budget Outlays Not Part of Net Operating Cost	97	2,380	2,477
Other Reconciling Items			
Deposits in Clearing Funds - Pre-Merger Refunds Due	-	(5)	(5)
Miscellaneous Receipts	-	(9,815)	(9,815)
SFFAS 54 NPV Adjustments & Payments	-	617	617
Other (TMF) Liability Changes	577	45	622
Total Other Reconciling Items	577	(9,158)	(8,581)
Net Outlays (Calculated)	\$ 99,003	\$ 20,413	\$ 119,416
Budgetary Agency Outlays, Net - Statement of Budgetary Resources			\$ 119,416

Note 15—Subsequent Events

The FTC had one significant event that occurred after the date of the Balance Sheet but before the issuance of the entity's audited financial statements that have a material effect on the financial statements. The FTC secured a historic settlement with Amazon.com, Inc. settling allegations that Amazon enrolled millions of consumers in Prime subscriptions without their consent, and knowingly made it difficult for consumers to cancel. FTC established an AR for the \$1 billion order expected to come in 2 successive \$500M Payments, one expected 10/9/25 and the other expected 18 months after the order. The FTC has already received a \$500M payment in the time between the Balance Sheet Date and the Audit Date.

**OTHER
INFORMATION**



SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

Table 1: Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Material Weaknesses	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0

Table 2: Summary of Management Assurances

Effectiveness of Internal Control Over Financial Reporting (Federal Managers' Financial Integrity Act (FMFIA) Para. 2)					
Statement of Assurance	Unmodified				
	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Material Weaknesses	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0

Effectiveness of Internal Control Over Operations (FMFIA Para. 2)					
Statement of Assurance	Unmodified				
	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Material Weaknesses	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0

Conformance with Financial Management System Requirements (FMFIA Para. 4)					
Statement of Assurance	Systems conform to financial management system requirements				
	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Non-Conformances	0	0	0	0	0
Total Non-Conformances	0	0	0	0	0

Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)		
	Federal Trade Commission	Auditor
1. Federal Financial Management System Requirements	No lack of compliance noted	No lack of compliance noted
2. Applicable Federal Accounting Standards	No lack of compliance noted	No lack of compliance noted
3. USSGL at Transaction Level	No lack of compliance noted	No lack of compliance noted



Summary of the Top Management and Performance Challenges Identified by the Office of Inspector General

As required by the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) has identified the following issues as the most serious management and performance challenges facing the Federal Trade Commission (FTC).

1. Managing Resources Effectively

The FTC has faced increasing difficulty in long-term budget and staffing planning due to significant uncertainty in appropriations, variable and rising operational costs, and new statutory mandates. After a decade of relatively flat funding and stable staffing levels, the agency saw a nearly 40% increase in appropriations between Fiscal Years (FY) 2020 and 2023, allowing it to hire approximately 175 new employees. However, in FY 2024, Congress reduced the FTC's budget by 1% and enacted a 5.2% unfunded pay raise for federal employees, which challenged the FTC's ability to continue carrying its higher staffing levels. Following a flatlined FY 2025 budget, and in preparation for further budget reductions, the FTC offered voluntary separation incentives to employees, resulting in the departure of approximately 250 employees during FY 2025—nearly double the average number of annual employee departures. Due to the high number of departures, particularly in critical roles, the agency has slowly begun hiring staff, focusing on paralegals who can bolster litigation capabilities at a lower cost than attorneys. Nevertheless, the agency continues to face the challenge of maximizing available resources while also focusing on prudent positioning for potential budget fluctuations.

Compounding these challenges are unpredictable and rising building maintenance and expert witness costs. The FTC's aging headquarters has required urgent repairs. While the FTC forecasts a need for increased spending on building maintenance and critical infrastructure, it is difficult to determine how costly this work will be. Additionally, planning for expert witness costs continues to challenge the agency, due to unpredictable fluctuations in merger activity and parties' willingness to settle cases.

In addition, the FTC is working to implement the requirements placed on it by the recently passed TAKE IT DOWN Act (TIDA), which requires digital platforms to remove non-consensual intimate images within 48 hours of a victim's request. To fulfill its responsibility under the TIDA, the FTC must quickly build a secure, trauma-informed intake system capable of handling sensitive content. The FTC estimates that setting up this system will cost approximately \$10 million and require the FTC to develop survivor-centered

processes, including hiring properly trained staff. To ensure the law's protections are fully realized, the FTC will need the resources to make long term investments in staffing and infrastructure.

FTC Progress in Addressing the Challenge: The FTC has developed plans that focus on slow strategic hiring that complies with recent guidance and positions the agency for success even at lower budget levels. With respect to expert witnesses, the agency has spent considerable effort to manage expert witness costs—leveraging internal expertise, requiring litigation teams to develop case budgets, implementing contract vehicles that increase competition and decrease review time, and applying for and receiving a \$14.6 million grant from the federal Technology Modernization Fund to develop a data analysis system. With respect to the TIDA, the FTC is planning internally and coordinating with federal agencies and survivor advocacy organizations to develop survivor-centered processes and resources, including a dedicated webpage to explain the law and provide support for survivors.

2. Addressing Challenges to Litigation

Recent Supreme Court decisions have significantly affected the FTC's ability to pursue monetary and administrative remedies. In *AMG Capital Management, LLC v. FTC* (2021), the Court ruled that FTC Act Section 13(b) does not authorize federal courts to award equitable monetary relief, removing a key tool the agency had used for decades to return funds to consumers. As a result, the FTC has turned to filing FTC Act Section 19 actions to seek monetary relief in federal court where the conduct violates an FTC rule.

The 2023 *Axon Enterprise, Inc. v. FTC* decision added further complications by allowing respondents to challenge the constitutionality of FTC administrative proceedings in federal court before those proceedings conclude, creating delays and legal uncertainty.

Compounding the impacts of *AMG* and *Axon*, the FTC is currently defending an appeal of a Commission order in the Fifth Circuit, in which the appellant, Intuit Inc., is arguing that FTC administrative proceedings were unconstitutional because the administrative law judge who conducted the trial was improperly insulated from presidential removal, and the Commission served as both accuser and adjudicator. A ruling against the FTC could limit its use of in-house adjudication, increase reliance on federal courts, and reshape enforcement strategy.

FTC Progress in Addressing the Challenge: The FTC has actively defended the constitutionality of its administrative enforcement framework. In the *Intuit* matter, the agency has argued that its proceedings involve public rights and are constitutionally valid, and that administrative law judge protections are consistent with Supreme Court precedent. However, the Supreme Court's determination on whether removal protections

for members of the FTC violate separation of powers could shape the Fifth Circuit's decision in *Intuit*.

3. Combating Evolving Scams and Enhancing the Public's Awareness

The FTC continues to face the ongoing challenge of safeguarding American consumers from the increasing number and evolving nature of domestic and foreign initiated scams. Imposter scams remain the most common and costly, with scammers using fake alerts, spoofed calls, and impersonation of government officials (including FTC officials) to deceive consumers, particularly older adults.

FTC Progress in Addressing the Challenge: The FTC takes a multifaceted approach to protecting American consumers from these scams. The FTC has concentrated on increasing the reach of its public education and outreach. Recently, pursuant to the Stop Senior Scams Act, the FTC formed an advisory group consisting of representatives from state and federal agencies and from relevant business sectors that works collaboratively to identify and stop scams disproportionately affecting older adults.

The FTC also has focused on enforcing the newly finalized (April 2024) Impersonation Rule, which prohibits the impersonation of businesses and government entities. In the Rule's first year in effect, the FTC brought five law enforcement actions involving alleged violations and shut down 13 websites that were illegally impersonating the FTC online.

In addition, the FTC has made strides in protecting consumers from foreign scams by bringing enforcement actions against the payment processors that facilitate the scammers' schemes, already settling two of these cases. The settlements have included refunds to consumers, prohibitions on the companies processing payments for certain types of entities, and a requirement that they monitor high-risk clients for illegal activity.

4. Securing Information Systems and Networks Amid Evolving Threats, Workforce Shifts, and Shared Services Uncertainty

In FY 2025, the FTC worked through several cybersecurity challenges while continuing to meet its responsibilities. A compressed timeline for the Federal Information Security Modernization Act (FISMA) audit in FY 2025 required the agency to shift resources from other planned efforts to meet the deadline. A reduction in staff—including retirement of those with a wealth of institutional knowledge—and role adjustments added complexity and pressure on the FTC Office of the Chief Information Officer, requiring team members to quickly learn new skills and take on significantly more responsibility.

The FTC also is concentrating on staying informed about the cybersecurity threats of rapidly growing artificial intelligence technologies and prepared against such threats, taking an approach that supports innovation while keeping systems and data safe. The

agency has been challenged by uncertainty around and reduced funding for shared cybersecurity services, such as the Continuous Diagnostics and Mitigation (CDM) program and FedRAMP. These concerns have added complexity to the FTC's long-term planning, increased operational risk and costs, and placed additional burdens on the FTC's internal cybersecurity and compliance teams. The lack of timely support from shared services has created compliance risks and pushed the FTC to consider greater internal investment in cybersecurity—efforts that may be hard to sustain without more funding.

FTC Progress in Addressing the Challenge: The FTC is working with cybersecurity vendors to understand how commercial tools are adapting to AI-based threats. Internally, it is improving its phishing exercise program to help staff recognize threats and strengthen response systems. The agency is also advancing its Zero Trust strategy and enhancing its Identity, Credential, and Access Management (ICAM) program to better control system access and verify user identities. To prepare for potential changes in shared services, the FTC is documenting costs and preparing unfunded requirements in case CDM support is reduced. It is also monitoring cloud vendor performance and reporting issues to GSA. While these actions support resilience, uncertainty around shared services still affects long-term planning.

Watch List Item

The OIG also maintains a “watch list,” for issues that do not rise to the level of a serious management and performance challenge but, nonetheless, require management's continued attention. Currently, there is one “watch list” issue.

Safeguarding Nonpublic Information

Safeguarding nonpublic information (NPI), such as draft enforcement actions, confidential business data, and internal deliberations, is critical to the FTC's mission. Unauthorized disclosures, or “leaks,” can damage the agency's reputation, disrupt enforcement efforts, and erode public trust. The issue has drawn growing attention from the media, Congress, and FTC officials.

The FTC has taken steps to mitigate the risk, and during FY 2025, the number of suspected leaks decreased significantly. Agency policies require employees to safeguard confidential business information and other sensitive records, and annual training reinforces expectations. FTC leadership has periodically communicated the importance of protecting sensitive information, and systems are in place to control access to certain categories of data.

PAYMENT INTEGRITY

The Payment Integrity Information Act of 2019 (Pub. L. No. 116-117) requires agencies to annually identify and report on programs that may be susceptible to significant improper payments, estimate annual improper payments in the susceptible programs, and report the results of their improper payment activities. If an agency deems a program to be low risk for improper payments, the agency will re-assess that program's risk at least once every three years. The FTC last performed this assessment in FY2024.

In accordance with the OMB A-123 Appendix C guidance, the FTC performed a FY 2024 qualitative risk assessment for all major payment programs including payroll, procurement, redress payments to consumers, travel, charge card, premerger filing fee refunds, training, and two miscellaneous payment processes. The FTC evaluated each payment program using the following qualitative risk factors identified in OMB Circular A-123 Appendix C:

- The relative complexity of the program or activity operation
- The extent and significance of recent changes in the program that may be reason for improper payment in funding, authorities, practices, and procedure
- The extent and significance of recent changes in program volume of payments
- The level, experience, and quality of training for personnel responsible for program eligibility determination or certifying that payments are accurate
- The inherent risks of improper payments due to the nature of programs or operation

- Known control deficiencies (i.e., reported by OIG, or GAO) that might hinder accurate payment certification
- Lack of information or data systems

The FTC also performed a quantitative risk assessment which assessed risks related to the amounts of payments processed relative to the OMB specified threshold amounts that define payment programs susceptible to improper payments. As a result of the FY 2024 risk assessment the FTC determined that none of the agency's programs or activities are high risk or considered "susceptible programs" of significant amounts of improper payments.

The FTC also concluded in its FY 2024 risk assessment that recovery audits were not cost-effective for its payment programs. The FTC employs a triennial review framework, conducting comprehensive internal control evaluations for its payment programs. For programs processing \$100M or more in payments annually, the FTC conducted statistically random tests in its FY 2024 risk assessment to assess improper payment occurrences. These tests resulted in no improper payment findings related to the payroll program. Furthermore, in FY 2023, the FTC conducted a review of the payroll and contract processes, affirming the effectiveness of existing controls in mitigating improper payment risk. In addition, the FTC's shared service provider compares FTC payee records in Do Not Pay databases to prevent improper payments.

FTC has published its payment integrity information in accordance with applicable guidance on [paymentaccuracy.gov](https://www.ftc.gov/pai).

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, requires agencies to make regular and consistent inflationary adjustments of civil monetary penalties to improve the effectiveness of civil monetary penalties and to maintain their deterrent effect. The 2015 Act requires agencies to: (1) adjust the level of civil monetary penalties with an initial “catch-up” adjustment; and (2) make subsequent annual adjustments for inflation. Accordingly, the Federal Trade

Commission increased its maximum civil penalty amounts to address inflation since the initial catch-up adjustment.

The following table lists the civil monetary penalties that the FTC may impose, the authority for imposing the penalty, penalty description, year enacted, latest year of adjustment, current penalty level, the Bureau that administers the penalty, and location for penalty update details. Additional information about these penalties and the latest adjustment is available in the [Federal Register](#).

Statutory Authority	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty (\$ Amount or Range)	Sub-Agency/Bureau/Unit	Location for Penalty Update Details
Section 7A(g)(1) of the Clayton Act, 15 U.S.C. 18a(g)(1)	Premerger filing notification violations under the Hart-Scott-Rodino Improvements Act	1976	January 17, 2025	\$ 53,088	BC	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 11(l) of the Clayton Act, 15 U.S.C. 21(l)	Violations of cease and desist orders issued under Clayton Act section 11(b)	1959	January 17, 2025	\$ 28,205	BC	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 5(l) of the FTC Act, 15 U.S.C. 45(l)	Unfair or deceptive acts or practices	1973	January 17, 2025	\$ 53,088	BC and BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. 45(m)(1)(A)	Unfair or deceptive acts or practices	1975	January 17, 2025	\$ 53,088	BC and BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582

Statutory Authority	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty (\$ Amount or Range)	Sub-Agency/Bureau/Unit	Location for Penalty Update Details
Section 5(m) (1)(B) of the FTC Act, 15 U.S.C. 45(m) (1)(B)	Unfair or deceptive acts or practices	1975	January 17, 2025	\$ 53,088	BC and BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 10 of the FTC Act, 15 U.S.C. 50	Failure to file required reports	1914	January 17, 2025	\$ 698	BC and BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 5 of the Webb-Pomerene (Export Trade) Act, 15 U.S.C. 65	Failure by associations engaged solely in export trade to file required statements	1918	January 17, 2025	\$ 698	BC	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 6(b) of the Wool Products Labeling Act, 15 U.S.C. 68d(b)	Failure by wool manufacturers to maintain required records	1940	January 17, 2025	\$ 698	BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 3(e) of the Fur Products Labeling Act, 15 U.S.C. 69a(e)	Failure to maintain required records regarding fur products	1951	January 17, 2025	\$ 698	BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 8(d) (2) of the Fur Products Labeling Act, 15 U.S.C. 69f(d)(2)	Failure to maintain required records regarding fur products	1951	January 17, 2025	\$ 698	BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 333(a) of the Energy Policy and Conservation Act, 42 U.S.C. 6303(a)	Knowing violations of EPCA § 332, including labeling violations	1975	January 17, 2025	\$ 575	BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582

Statutory Authority	Penalty (Name or Description)	Year Enacted	Latest year of adjustment (via statute or regulation)	Current Penalty (\$ Amount or Range)	Sub-Agency/Bureau/Unit	Location for Penalty Update Details
Section 525(a) of the Energy Policy and Conservation Act, 42 U.S.C. 6395(a)	Recycled oil labeling violations	1975	January 17, 2025	\$ 28,205	BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 525(b) of the Energy Policy and Conservation Act, 42 U.S.C. 6395(b)	Willful violations of recycled oil labeling requirements	1975	January 17, 2025	\$ 53,088	BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 621(a)(2) of the Fair Credit Reporting Act, 15 U.S.C. 1681s(a)(2)	Knowing violations of the Fair Credit Reporting Act	1996	January 17, 2025	\$ 4,983	BCP	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 1115(a) of the Medicare Prescription Drug Improvement and Modernization Act of 2003, Public Law 108-173, as amended by Public Law 115-263, 21 U.S.C. 355	Failure to comply with filing requirements	2003	January 17, 2025	\$ 18,768	BC	Federal Register Vol.90, January 17, 2025, pages 5580-5582
Section 814(a) of the Energy Independence and Security Act of 2007, 42 U.S.C. 17304	Violations of prohibitions on market manipulation and provision of false information to federal agencies	2007	January 17, 2025	\$ 1,510,803	BC	Federal Register Vol.90, January 17, 2025, pages 5580-5582

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