



Semiannual Report to Congress
October 1, 2023 – March 31, 2024

A MESSAGE FROM THE INSPECTOR GENERAL



It is with great pleasure that I present the Commodity Futures Trading Commission (CFTC) Office of Inspector General (OIG) Semiannual Report to Congress for the period of October 1, 2023 to March 31, 2024. I am honored to be appointed Inspector General by the Commission and I look forward to establishing effective working relationships with the CFTC OIG team, the Commission, members of Congress, and my IG colleagues to provide oversight to the CFTC on behalf of the American taxpayers. Our success depends on the collaborative efforts of all stakeholders to promote effective stewardship of agency programs and operations. I look forward to leading the CFTC OIG as it embarks on a new chapter.

I want to join the entire CFTC OIG team in thanking Dr. Brett M. Baker for his dedicated support of the CFTC OIG program from May 2023 to April 2024. This report presents the results of his leadership and support during the transition.

During the reporting period, the CFTC OIG issued and published its [FY 2024-2027 Strategic Plan](#), the [FY 2024 Work Plan](#), and the [FY 2023 Management and Performance Challenges](#). The Office of Audits published the results of the [FY 2023 CFTC Financial Statement](#) and the [FY 2023 Customer Protection Fund \(CPF\) Financial Statement](#) Audits, both completed by independent public accountants (IPA) overseen by the Office of Audits. Additionally, the audit team began work on the annual FY 2024 CFTC Financial Statement and CPF Financial Statement Audits, the FY 2024 Federal Information Systems Management Act (FISMA) evaluation, the FY 2023 annual review of the CFTC's compliance with the Payment Integrity Information Act of 2019 (PIIA), and the CFTC's compliance with the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act). Lastly, the audit team completed a draft report of the FY 2023 FISMA evaluation.

There was one open audit recommendation at the close of the reporting period; management represents that this recommendation has been pending for more than six months due to resource constraints. We continue to work closely with the agency to close outstanding recommendations as corrective actions are implemented.

We began the reporting period with four investigations pending, and there were no investigative milestones during the period. In addition, we began the reporting period with five allegations pending and received a total of 25 allegations during the period. We closed a total of 22 allegations with referrals to the Division of Enforcement (19) and to other federal agencies for action deemed appropriate (3). Accordingly, we report four open investigations and eight allegations pending (five from prior reporting periods).

Four inspections and evaluations (I&E) and two white papers were pending and on hold during the prior reporting period. As a result of continuing staff shortages and items overcome by extenuating events, the OIG announced the termination of all six projects. In addition, we determined and publicly [announced](#) the

removal of one I&E report from our website due to quality control issues identified in a [report](#) issued by the Council of Inspectors General on Integrity and Efficiency (CIGIE) Integrity Committee (IC) in 2023. Additional information may be found in the audits, investigations, and inspection and evaluations sections of this Semiannual Report.

Going forward, the CFTC OIG remains committed to helping the agency to maximize the integrity, efficiency, and effectiveness of CFTC programs and operations; our audits, evaluations, and investigations demonstrate our ongoing commitment to sound government practices. This Semiannual Report reflects the exceptional work of the CFTC OIG team and their commitment to the critical mission of the OIG.

A handwritten signature in black ink, appearing to read 'C. Skinner', written in a cursive style.

Christopher Skinner
Inspector General

SEMIANNUAL REPORT
OF THE U.S. COMMODITY FUTURES TRADING COMMISSION
OFFICE OF THE INSPECTOR GENERAL

October 1, 2023 – March 31, 2024

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EXECUTIVE SUMMARY

This semiannual report is issued by the Commodity Futures Trading Commission (CFTC) Office of the Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended.¹ It summarizes OIG's activities and accomplishments for the period October 1, 2023, through March 31, 2024. During this period:

- The Office of Audits completed the Fiscal Year (FY) 2023 audit of the CFTC financial statements and of the CFTC Customer Protection Fund financial statements, with no significant issues noted. We began work on the FY 2024 financial statement audits for the CFTC and the CFTC Customer Protection Fund financial statements, as well as audits of CFTC's FY 2023 compliance with requirements under the Payment Integrity Information Act and, separately, under the Government Charge Card Act. We also continued work on an Audit of CFTC's compliance with FISMA for FY 2023, and initiated an audit of CFTC's FISMA compliance for FY 2024. Finally, the CFTC OIG coordinated with the Council of Inspectors General on Financial Oversight (CIGFO) to plan its next project.
- We began the reporting period with four investigations pending, and there were no investigative milestones during the reporting period. In addition, we began the reporting period with five allegations pending and received a total of 25 allegations during the reporting period. We closed a total of 22 allegations with referrals to the Division of Enforcement (19) and to other federal agencies for action deemed appropriate (3). Accordingly, we report four open investigations and eight allegations pending (five from prior reporting periods).
- During the prior reporting period, four inspections and evaluations (I&E) and two white papers were pending and on hold due to staff departures. As a result of continuing staff shortages and items overcome by extenuating events, the OIG announced the termination of all six projects. In addition, we determined and publicly [announced](#) the removal of one I&E report from our website due to quality control issues identified in a [report](#) issued by the Council of Inspectors General on Integrity and Efficiency (CIGIE) Integrity Committee (IC) in 2023.

¹ P.L. 95-452, 92 Stat. 1101 (1978).

CFTC PROGRAMS and OPERATIONS

Established by statute as an independent agency in 1974, the CFTC assumed responsibilities previously belonging to the U.S. Department of Agriculture since the 1920s.² The mission of the CFTC is: “To promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation.”³ The CFTC and its predecessor were established to protect market participants and the public from fraud, manipulation, and other abusive practices in the commodity futures and options markets. After the 2008 financial crisis and the subsequent enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act),⁴ the CFTC’s mission expanded to include oversight of the swaps marketplace.

The Commission consists of five Commissioners appointed by the President, with the advice and consent of the Senate, who serve staggered five-year terms. The President appoints one of the Commissioners to serve as Chairman. No more than three Commissioners may be from the same political party.⁵ The CFTC maintains offices in Washington, D.C.; New York, NY; Chicago, IL; and Kansas City, MO. The CFTC organization consists of the following Divisions and Offices (not including OIG):⁶

- Division of Clearing and Risk (DCR)
- Division of Enforcement, including the Whistleblower Office (DOE)
- Division of Market Oversight (DMO)
- Market Participants Division (MPD)
- Division of Data (DOD)
- Office of the General Counsel (OGC)
- Division of Administration (DA)
- Office of the Chief Economist (OCE)
- Office of International Affairs (OIA)
- Office of Public Affairs (OPA)
- Office of Technology Innovation (OTI)
- Office of Legislative and Intergovernmental Affairs (OLIA)
- Office of Minority and Women Inclusion (OMWI)
- Office of Customer and Education Outreach (OCEO)

² U.S. Commodity Futures Trading Commission, *Strategic Plan FY 2020-2024* (May 2020), page 4. All links in this paper were last tested on April 23, 2024.

³ *Id.*, page 3.

⁴ P.L. 111-203, 124 Stat. 1376 (2010).

⁵ 7 U.S.C. § 2(a)(2).

⁶ <https://www.cftc.gov/About/CFTCOrganization/index.htm>.

CFTC OIG RESPONSIBILITIES, RESOURCES, ORGANIZATION, and INDEPENDENCE

CFTC OIG RESPONSIBILITIES

The [CFTC OIG](#) was created in 1989 in accordance with the 1988 amendments to the Inspector General Act of 1978.⁷ The OIG was established as an independent unit to:

- Promote economy, efficiency, and effectiveness in the administration of CFTC programs and operations, and detect and prevent fraud, waste, and abuse in such programs and operations;
- Conduct and supervise audits and, where necessary, investigations relating to the administration of CFTC programs and operations;
- Review existing and proposed legislation, regulations, and exchange rules and make recommendations concerning their impact on the economy and efficiency of CFTC programs and operations or the prevention and detection of fraud and abuse;
- Recommend policies for, and conduct, supervise, or coordinate other activities carried out or financed by such establishment for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations; and
- Keep the Commission and Congress fully informed about any problems or deficiencies in the administration of CFTC programs and operations and provide recommendations for correction of these problems or deficiencies.

The IG is appointed by the Commission in accordance with the applicable laws and regulations governing appointments within the CFTC. The CFTC OIG conducts audit engagements in accordance with the *Generally Accepted Government Auditing Standards (GAGAS)* issued by the Government Accountability Office (GAO). The OIG conducts inspections, evaluations, and other covered products in accordance with the [Quality Standards for Inspection and Evaluation](#) issued by the Council of Inspectors General on Integrity and Efficiency (CIGIE). OIG investigations are performed in accordance with the [Quality Standards for Investigations](#) issued by the CIGIE. Additional information can be found on our webpage: <https://www.cftc.gov/About/InspectorGeneral>.

The Dodd-Frank Act⁸ established the Financial Stability Oversight Council (FSOC), which is vested with the mission to monitor domestic and international financial regulatory proposals and developments, including insurance and accounting issues, and to advise Congress

⁷ P.L. 100-504, 102 Stat. 2515 (1988).

⁸ See [fn.4](#).

and make recommendations in such areas that will enhance the integrity, efficiency, competitiveness, and stability of U.S. financial markets.⁹ The Dodd-Frank Act also created the Council of Inspectors General on Financial Oversight (CIGFO) to evaluate the effectiveness and internal operations of FSOC. The CFTC IG is a CIGFO member, and CFTC OIG participates in CIGFO projects within CFTC OIG jurisdiction.

CFTC OIG RESOURCES AND ORGANIZATION

CFTC OIG maintains an Office of Audits and Office of Investigations. At the end of the reporting period, the CFTC OIG consisted of eleven FTEs, including five vacancies. Staff departures of three attorneys in 2022 and 2023, along with the departure of the former Inspector General, have hampered our ability to complete investigations, inspections & evaluations, and white papers. We are in the process of backfilling these positions, and with the appointment of a permanent Inspector General in April 2024, we anticipate growth and new direction.

OIG INDEPENDENCE; REQUIRED STATEMENT REGARDING INFORMATION ACCESS AND ASSISTANCE

The OIG operates independently of the Agency. Our investigations have been conducted regardless of the rank or party affiliation of the subject. The OIG has conducted audits, inspections, evaluations, and reviews without intentional or substantive interference. Furthermore, the OIG will recommend improvements to the administration of agency programs and processes without regard to the party affiliation of any Chairman or Commissioner.¹⁰

Type of Interference	Number	Explanation
Budget constraints	0	N/A
Resistance to oversight	0	N/A
Delayed information access	0	N/A
Other (Intimidation)	0	N/A

⁹ The FSOC voting members are: Secretary of the Treasury (also serves as FSOC chairman); Comptroller of the Currency; Directors of the Consumer Financial Protection Bureau and Federal Housing Finance Agency; Chairpersons of the Federal Reserve, Security and Exchange Commission, Commodity Futures Trading Commission, Federal Deposit Insurance Corporation, and National Credit Union Administration; and an independent member appointed by the President, by and with the advice and consent of the Senate, having insurance expertise. 12 USC § 5321(b)(1).

¹⁰ The Inspector General Act of 1978, as amended, states: “[T]he head of the designated Federal entity shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation....” 5 U.S.C. § 415(d)(1).

AUDIT OPERATIONS

COMPLETED AUDITS, AUDIT REVIEWS, AND OTHER AUDIT PROJECTS

FINANCIAL

[Audit of the CFTC’s FY 2023 Annual Financial Report](#)¹¹

The objective of this Congressionally mandated audit¹² is to render an opinion on the agency financial report (financial statements) in accordance with GAGAS. This audit was completed by an independent public accountant (IPA) with Office of Audit oversight. The CFTC received a “clean” opinion with no significant issues noted.

[Audit of the CFTC’s FY 2023 Customer Protection Fund \(CPF\)](#)¹³

The objective of this Congressionally mandated audit¹⁴ is to render an opinion on customer protection fund financial statements in accordance with GAGAS. This audit was completed by an IPA with Office of Audit oversight. The CFTC received a “clean” opinion with no significant issues noted.

[The Inspector General’s Statement on the CFTC’s FY 2023 Management and Performance Challenges](#)¹⁵

In accordance with the Reports Consolidation Act of 2000,¹⁶ in November FY 2023 we identified the most serious management and performance challenges facing the Commission and provided a brief assessment of the Commission’s progress in addressing those challenges. Each challenge area is related to the CFTC’s mission and reflects continuing vulnerabilities and emerging issues. The following summarizes CFTC’s most significant management and performance challenges in our latest report, which is based on our experience and observations from our oversight work:

1. Maturing Enterprise Risk Management Practices
2. The Customer Protection Fund
3. Lease Space Savings
4. Maintaining Cyber Security Successes
5. Preparing for its Role for Regulating Digital Assets

Mastering these opportunities can further transform the CFTC to anticipate and mitigate risks impacting the fulfillment of its mission.

¹¹ https://www.cftc.gov/media/9861/OIG_FinancialStatementAudit11523/download.

¹² P.L. 107-289, 116 Stat. 2049 (2002).

¹³ https://www.cftc.gov/media/9816/OIG_FinancialStatementAudit2023/download.

¹⁴ P.L. 111-203, § 748, 124 Stat. 1739 (2010).

¹⁵ <https://www.cftc.gov/media/9751/oigmgmtcha11323/download>.

¹⁶ P.L. 106-531, 114 Stat. 2537 (2000).

ONGOING AUDITS, AUDIT REVIEWS, AND OTHER AUDIT PROJECTS

FINANCIAL

Audit of the CFTC’s FY 2024 Annual Financial Report

The objective of this Congressionally mandated audit¹⁷ is to render an opinion on the agency financial report (financial statements) in accordance with GAGAS.

Audit of the CFTC’s FY 2024 Customer Protection Fund (CPF)

The objective of this Congressionally mandated audit¹⁸ is to render an opinion on customer protection fund financial statements in accordance with GAGAS.

Audit of CFTC’s Compliance with the Payment Integrity Information Act (PIIA)

The objective of this audit is to follow up on any previous recommendations and independently assess payment risk for FY 2023 transactions.

Audit of CFTC’s Compliance with the Government Charge Card Abuse Prevention Act

The objective of this audit is to evaluate CFTC’s compliance with the Government Charge Card Abuse Prevention Act, specifically to assess CFTC’s use of purchase cards and travel card programs.

All financial audits will be performed by an Independent Public Accounting firm (IPA) with oversight by OIG Office of Audits.

INFORMATION TECHNOLOGY MANAGEMENT AND SECURITY

Audit of CFTC’s FY 2023 Compliance with the Federal Information Security Management Act (FISMA)

The objective of this review is to evaluate CFTC’s information security program and practices as required by FISMA.¹⁹ This audit was started in a prior reporting period. Changes in both our leadership staffing and our electronic audit filing system delayed completion of this audit. It was finishing up at the close of this reporting period.

Audit of CFTC’s FY 2024 Compliance with FISMA

Delays in the FY 2023 FISMA Audit did not impede the start of the CFTC FY 2024 FISMA Audit, which will also evaluate CFTC’s information security programs and practices as

¹⁷ See [fn.12](#).

¹⁸ See [fn.14](#).

¹⁹ P.L. 107-347 (Title III), 116 Stat. 2946 (2002).

required by FISMA. Each FISMA audit varies in accordance with requirements issued by the Office of Management and Budget (OMB) and the Council of Inspectors General on Integrity and Efficiency. This audit will be performed by an IPA with oversight by the CFTC OIG Office of Audit.

REPORTS AND REVIEWS OVER SIX MONTHS OLD; REQUIRED STATEMENTS

Required Statements Regarding Commission Response Exceeding 60 Days, and Regarding Management Decisions Not Made

There were no audit reports issued during the reporting period lacking Commission response within 60 days, and no instances of an audit report issued before the commencement of the reporting period for which a management decision had not been made by the end of the reporting period.

Required Statements Regarding Revised Management Decisions, and Regarding Inspector General Disagreement

No management decisions were lacking or revised during the reporting period, and the Inspector General did not disagree with any management decisions on OIG audit recommendations during the reporting period.

Required Statements Regarding Significant Recommendations that have not been Completed, and Audit Reports for which there are any Outstanding Unimplemented Recommendations, Including Aggregate Potential Cost Savings

There are no significant recommendations from previous periods on which corrective action has not been completed, but there is one audit issued in a prior period where one recommendation is not completed, as relayed in the tables that follow, with explanatory text.

Table 1: Unimplemented Recommendations

Fiscal Year	Number of Reports with Unimplemented Recommendations	Number of Unimplemented Recommendations	Dollar Value of Aggregate Potential Cost Savings	No Comment Returned w/in 60 days
2021	1	1	0	0
Totals	1	1	0	0

Table 2: Detail of Unimplemented Recommendations

Fiscal Year	Audit Report	Unimplemented Recommendations
2021	Federal Information Security Management Act Review: FY 2020*	One recommendation to enhance the CFTC’s privacy program.

* In FY 2020, the privacy program determined the Commission’s existing privacy policies and procedures were out-of-date. In FY 2021, the program commenced a comprehensive review of federal privacy laws and policies. In FY 2022, the privacy program began to work with stakeholders across the Commission to draft an enterprise privacy policy that aligns with the requirements in federal privacy laws and policies. In FY 2023, the privacy program planned to finalize the draft enterprise privacy program policy and work with the CFTC Policy Governance Board (PGB) to facilitate the intra-agency review of the proposed policy. The development of procedures is ongoing. The Acting Chief Privacy Officer continues to work with the Senior Agency Official to review and address the privacy program’s staffing and resourcing constraints.

INSPECTIONS & EVALUATIONS

We began the reporting period with four inspections and evaluations (I&E) in process. In 2022-2023, three attorneys assigned to assist I&E efforts departed the OIG, which impacted OIG forecasted project timelines. Due to staff turnover, we determined that it will not be possible to complete the work in a timeframe that will result in value-added information for the Commission. Accordingly, we announced to the Commission to close the four I&Es, as well as two whitepapers that were pending and described in prior CFTC OIG Semiannual reports. Those projects are detailed below:

- CFTC Whistleblower Office’s Confidentiality Protections (2021-IE-2)
- CFTC Policies and Procedures Concerning Capturing, Retaining and Accessing Cell Phone Data, Including Text Messages, Location, and Other Information / Data (2021-IE-3)
- OIG Inspection and Evaluation of the CFTC’s Current and Post-Covid Lease Operations and Space Planning (2022-IE-1)
- OIG Inspection and Evaluation of the CFTC’s Disaster Preparedness (2022-IE-2)
- White Paper Evaluating CFTC Experience with the Administrative Procedures Act
- White Paper Evaluating CFTC Experience with Digital Assets

In addition, we determined and publicly [announced](#)²⁰ the removal of one I&E report from our website due to quality control issues identified in a [report](#)²¹ issued by the Council of Inspectors General on Integrity and Efficiency (CIGIE) Integrity Committee (IC) in February 2023. We finished this reporting period with no pending White Papers or I&Es, and no pending I&E recommendations.

²⁰ https://www.cftc.gov/media/10181/oig_RemovalNotice_CFTCStressTest_020124/download.

²¹ <https://www.ignet.gov/sites/default/files/files/Integrity-Committee-ROI-986.pdf>.

INVESTIGATIVE OPERATIONS

INVESTIGATIONS

We began the reporting period with four investigations pending, and there were no investigative milestones during the reporting period. There were no findings of whistleblower retaliation during this reporting period. There were no reports of investigation involving a senior Government employee where allegations of misconduct were substantiated. We ended the reporting period with four open investigations.

ALLEGATIONS

We began the reporting period with five allegations²² pending and received 25 allegations during the reporting period through the OIG email hotline (13), the OIG online complaint form (7), the OIG hotline phone (3), OIG staff email (1) and postal (1). We closed 22 allegations with the following actions:

- Referred 19 allegations to the CFTC Division of Enforcement, including the Whistleblower Office within the Division of Enforcement (or advised the complainant to reach out to the Division of Enforcement or Whistleblower Office)
- Referred three allegations to other federal entities for action deemed appropriate

We received three allegations during the reporting period and five remain open from prior reporting periods, resulting in a total of eight pending allegations.

ONGOING INVESTIGATIVE MATTERS AND REQUIRED DISCLOSURES

At the close of this reporting period we had four ongoing investigations and eight open allegations under consideration. All open investigations are confidential, as are the content of incoming allegations. CFTC OIG does not disclose non-public details regarding open investigations absent good cause; if an ongoing investigation is disclosed to the public it will be listed here.

Table 3: Investigative Statistics for Referrals and Whistleblower Retaliation

October 1, 2023 – March 31, 2024²³

A.	Completed investigations	0
B.	Referrals to prosecuting authorities for criminal prosecution	0
C.	Indictments from prior referrals	0
D.	Whistleblower retaliation findings	0

²² Our prior semiannual report indicated four pending allegations at the close of the last reporting period. We later noticed an error; the number of pending allegations at the close of the last reporting period should have been five.

²³ These statistics were generated through an examination of digital files.

It is our practice to discuss potential criminal investigations early with an Assistant United States Attorney (AUSA) in order to ensure matters of interest are coordinated from the outset. No formal referrals for prosecution were made during the reporting period.

LEGISLATIVE & REGULATORY PROJECTS

Introduction and Summary

As specified in Section 4(a)(2) of the Inspector General Act of 1978,²⁴ OIG may review the impact of existing and proposed legislation and regulations on CFTC programs and operations and makes recommendations regarding more effective or efficient alternatives or protections against fraud and abuse. The OIG may also review exchange rule proposals circulated to senior staff at the CFTC.

The OIG notifies the responsible CFTC Divisions as to any concerns with draft and final documents relating to legislation, rules or investigations. Formal comments were not submitted during this reporting period.

Legislative Activities

The OIG reviews legislation impacting programs and operations of the CFTC, and initiates contact with Congressional staff concerning various Agency and IG issues as appropriate. In addition, the IG serves on the legislation committee for the Council of Inspectors General on Integrity and Efficiency, which comments on proposed amendments to the IG Act and other legislation affecting the IG community. CFTC OIG participated in legislation committee efforts. No formal projects were undertaken during this reporting period.

PEER REVIEWS

An important function in each agency OIG is the peer review process. [GAGAS](#) requires that audit organizations conducting audits of Federal agencies undergo peer reviews every three years. The IG community has implemented a process to meet this requirement and, in accordance with [GAGAS](#) and CIGIE peer review quality control and assurance standards, an OIG audit team assesses other OIGs' audit functions. The purpose of the peer review is to determine whether the reviewed audit organization's internal quality control systems are adequate and provide reasonable assurance that applicable auditing standards, policies and procedures are met. We are required to include in each OIG semiannual report:

- The results of any peer review conducted by another Office of Inspector General during the reporting period; or if no peer review was conducted within that reporting

²⁴ 5 USC § 404(a)(2) (made applicable to CFTC OIG at 5 USC § 415(g)).

period, a statement identifying the date of the last peer review conducted by another Office of Inspector General;

- A list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete; and
- A list of any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented.

Most Recent Peer [Review](#) of the CFTC OIG Audit Function

The Federal Maritime Commission, Office of the Inspector General, reviewed the system of quality control for the CFTC OIG audit organization in effect for the year ending March 31, 2019. In their opinion, the system of quality control for the audit organization of CFTC has been suitably designed and complied with to provide CFTC with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. CFTC OIG received the highest external peer review rating of “pass.”

Most Recent [Peer Review](#) of the CFTC OIG Investigative Function

Investigative peer reviews are conducted under CIGIE peer review [standards](#) to evaluate compliance with the requirements of the CIGIE [Quality Standards for Investigations](#) and the adequacy of internal safeguards and management procedures. CFTC OIG last voluntarily submitted to a peer review of its investigative function in 2013; the Federal Trade Commission, Office of Inspector General, reviewed the system of quality control for the CFTC OIG investigative function and concluded that the system of internal safeguards and management procedures for the CFTC OIG investigative function complied with the quality standards adopted by CIGIE, and provided a reasonable assurance of conforming with professional standards in the conduct of investigations.²⁵

Peer Reviews completed by CFTC OIG during the reporting period

The CFTC OIG did not complete any peer reviews of OIG functions during this reporting period. There are no open recommendations from prior peer reviews conducted by the CFTC OIG.

²⁵ See [Qualitative Assessment Review Guidelines \(ignet.gov\)](#). Newly established OIGs or those that do not have statutory law enforcement authority but conduct investigations in accordance with the Quality Standards are strongly encouraged to participate voluntarily in an investigative peer review program.

SUMMARY of FINAL REPORTS NOT MADE PUBLIC

All reports issued during this reporting period were published as required by law.

OIG STRATEGIC PLAN and WORK PLAN

During the reporting period, CFTC OIG issued and published its [Strategic Plan](#) and [Work Plan](#).²⁶ We refer the reader to those documents, which are summarized below.

OIG MISSION, VISION, AND VALUES

Mission

Our mission is to promote integrity, efficiency, and effectiveness by promoting for continuous improvement in CFTC's management and program operations. To accomplish our mission, we:

- Conduct independent and objective audits, reviews, inspections, and evaluations of the CFTC programs and operations;
- Conduct independent and objective investigations of potential criminal, civil, and administrative violations that could undermine the ability of the CFTC perform its mission;
- Prevent and detect fraud, waste and abuse in CFTC programs and operations; and
- Keep agency chairperson, commissioners and Congress fully and currently informed of significant issues and developments.

Vision Statement

To serve as trusted agents in driving positive change and promoting integrity in CFTC programs and operations.

1. Performing all work to a standard;
2. Producing work that is relevant, accurate, timely, and trusted;
3. Cultivating positive engagement with the agency; and
4. Fostering respect, diversity, growth and excellence within OIG.

²⁶ See https://www.cftc.gov/media/10191/oig_StrategicPlan_FY24_28/download and https://www.cftc.gov/media/10186/oig_AnnualWorkPlan0224/download.

Values Statement

We value integrity, objectivity, independence, innovation, collaboration, inclusion and diversity. We value OIG work that is accurate, timely, fair, and trusted. These values are fundamental to the accomplishment of our mission and our daily operations.

GOALS AND PERFORMANCE INDICATORS

Goal 1: Perform All Work to a Standard

This goal speaks to the core function of an effective OIG; conducting independent and objective audits, investigations, inspections, and reviews within our jurisdiction. The goal is to promote efficiency, effectiveness, and integrity in the operations of the agency.

Performance Indicators:

- Policies updated to comply with applicable standards for audits, inspections and evaluations, by April 2024; and
- Investigative policies updated to comply with applicable standards by June 2024.

Goal 2: Deliver Relevant, Accurate, Timely and Trusted Work

The Office of the Inspector General will address high risk areas. High-risk areas include fraud, cybersecurity threats, enterprise risks, and manipulation. Addressing these high-risk topics are essential for the CFTC to fulfill its regulatory mandate effectively and to ensure fair, transparent, and orderly trading practices, price discovery, and competition in the financial markets under CFTC jurisdiction. Work will be 1) Relevant, 2) Accurate, 3) Timely, with 4) Fair and Trusted Reporting.

Performance Indicators:

- Discretionary work addresses high risk topics.
- Quality control measures are completed prior to draft report issuance;
- All audits, inspections, and evaluations undergo independent referencing prior to issuance;
- Annual Quality Assurance Review (QAR) performed for the audit and inspection and evaluation programs, in addition to peer reviews scheduled every three years; and
- Improvements implemented in existing processes within 90 days of each QAR or peer review.
- 70% of reports completed within eight months after announcement. All reports taking longer than eight months will include a statement explaining the reason for the length of time for completion, in the final report.
- Ensure team independence and competence for every engagement;
- Propose recommendations that are capable of implementation by the agency under current statutory authority (or in the alternative suggest a legislative opportunity); and
- Offer management sufficient time to comment on every proposed recommendation.

Goal 3: Cultivate Working Partnerships with Stakeholders

Performance Indicators:

- Periodic meetings with relevant agency staff and stakeholders during the pendency of each audit, inspection, and evaluation;
- Quarterly awareness stakeholder meetings; and
- Consideration of stakeholder views, input, and topics in the annual OIG Work Plan.

Goal 4: Foster Respect, Inclusion, Diversity, and Growth as an OIG Team

- Support details, training, and other avenues to develop employee competencies and experiences that benefit the OIG; and
- Zero tolerance for confirmed violative behavior.

ONGOING MANDATORY AUDITS AND EVALUATIONS FOR FY 2024

Current Projects:

- FISMA Act Compliance FY 2023
- FISMA Act Compliance FY 2024
- Financial Statements Audit - Agency FY 2024
- Financial Statements Audit - Customer Protection Fund FY 2024
- Payment Integrity Information Act of 2019 (PIIA) Compliance FY 2023
- Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) Compliance FY 2023

NEW DISCRETIONARY AUDITS AND EVALUATIONS FOR FY 2024

Current Projects:

- Enterprise Risk Management (ERM) Maturity Evaluation
- Council of Inspectors General on Financial Oversight (CIGFO) FY 2024 Evaluation or Audit

INVESTIGATIONS – PRIORITIES, OBJECTIVES, AND INITIATIVES FOR FY 2024

Investigative priorities are dedicated to identifying potential fraud, ensuring integrity, and identifying proactive leads. Following staff departures in FY 2022 and FY 2023, we are in the process of hiring and seeking assistance from other OIGs.

CONTACTING the OFFICE of the INSPECTOR GENERAL

The CFTC OIG is located at 1155 21st Street, N.W., Washington, D.C. 20581. Regular business hours are between 8:30 AM and 5:00 PM, Monday through Friday, except federal holidays. Our general telephone number is (202) 418-5110. Our facsimile number is (202) 418-5522. Our email address for general questions and discussion is OIGEmail@cftc.gov.

Our email for hotline complaints is OIGComplaint@cftc.gov. The hotline phone number is (202) 418-5510. The OIG's webpage, with a link to the OIG online complaint [form](#), is located at <http://www.cftc.gov/About/OfficeoftheInspectorGeneral/index.htm>. You may choose to remain confidential or file a complaint anonymously. If you wish to file a complaint with the CFTC OIG, please provide sufficient information so that we can initiate an inquiry as insufficient information can hinder the OIG's investigation.

The OIG will protect your confidentiality to the fullest extent practicable, by not disclosing your identity. In very rare circumstances, it may be necessary for the OIG to disclose the identity of its sources. For example, in a criminal investigation, the OIG may be required to reveal the identity of its source to the Assistant U.S. Attorney who is handling the case. If the OIG is required to reveal the identity of a source who requested confidentially, the source will be notified prior to disclosure and provided an explanation as to why his or her identity must be revealed. All sources who provide information to the OIG are protected from retaliation under federal law.

APPENDICES

Appendix 1 – Reports Issued with Questioned Costs

October 1, 2023 – March 31, 2024

	Number	Dollar Value <u>Thousands</u> Questioned	Unsupported
A. For which no management decision has been made by the commencement of the reporting period	0	0	0
B. Which were issued during the reporting period	0	0	0
Subtotals (A + B)	0	0	0
C. For which a management decision was made during the reporting period	0	0	0
(I) dollar value of disallowed costs	0	0	0
(ii) dollar value of costs not disallowed	0	0	0
D. For which no management decision has been made by the end of the reporting period	0	0	0

Appendix 2 – Reports Issued with Recommendations That Funds Be Put to Better Use

October 1, 2023 – March 31, 2024

	Number	Dollar Value Thousands
A. For which no management decision has been made by the commencement of the reporting period	0	0
B. Which were issued during the reporting period	0	0
Subtotals (A + B)	0	0
C. For which a management decision was made during the reporting period	0	0
(i) dollar value of recommendations that were agreed to by management	0	0
(ii) dollar value of recommendations that were not agreed to by management	0	0
D. For which no management decision has been made by the end of the reporting period	0	0

Appendix 3 - Index of IG Act Reporting Requirements

5 USC Title 4	Description	Page/Link
§ 404(a)(2)	Review of Legislation and Regulations	10
§ 405(b)(1)	Significant Problems, Abuses and Deficiencies	None
§ 405(b)(2)	Recommendations with Respect to Significant Problems	None
§ 405(b)(3)	Recommendations from Previous Reporting Periods that have not been Completed	7
§ 405(b)(4)	Matters Referred to Prosecutorial Authorities	None
§ 405(b)(5)	Summary of Instances where Information was Refused	None
§ 405(b)(6)	Completed Audit Reports	5
§ 405(b)(7)	Significant Audit Reports	5-6
§ 40b(b)(8)	Statistical Table – Questioned Costs	16
§ 405(b)(9)	Statistical Table – Funds Recommended for Better Use	17
§ 405(b)(10)	Audit Reports Issued before the Start of the Reporting Period Lacking Management Decision	None
§ 405(b)(10)	Audit Reports without Commission Response after 60 Days	None
§405(b)(10)	Audit Reports Issued before this Reporting Period with Outstanding Unimplemented Recommendations, with Aggregate Potential Cost Savings	7
§ 405(b)(11)	Significant Revised Management Decisions	None
§ 405(b)(12)	Management Decisions with which the IG Disagrees	None
§ 405(b)(14)	Peer Review Information	10
§ 405(b)(17), (18)	Investigative Statistical Information and Metrics	9
§ 405(b)(19)	Substantiated Misconduct in Investigations Involving a Senior Government Employee	None
§ 405(b)(20)	Whistleblower Retaliation Findings	None
§ 405(b)(21)	Attempted Agency Interference with OIG Independence	None
§ 405(b)(22)	Undisclosed Inspections, Evaluations, Audits, and Investigations	None
§ 406(c)	Summary of reports to Chairman where assistance was refused	None

