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## FTC Cites Need for Improvement in Compliance Reports

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[Less than a week](#) after warning subpoena and CID recipients to take their obligation to respond “seriously,” the FTC took aim at perceived inadequacies in compliance reports submitted pursuant to FTC consent orders and litigated judgments. In its March 11, 2019 [blog post](#), the FTC’s Bureau of Competition alleges that “some Respondents are not taking seriously their responsibility to provide detailed and timely” compliance reports that demonstrate compliance with the obligations imposed in FTC Orders.

In an effort to curb this perceived trend of inadequate compliance reporting, the FTC is introducing the following new model language that will be included in future FTC orders:

“Each compliance report shall contain sufficient information and documentation to enable the Commission to determine independently whether Respondents are in compliance with the Order. Conclusory statements that Respondents have complied with their obligations under the Order are insufficient. Respondents shall include in their reports, among other information or documentation that may be necessary to demonstrate compliance, a full description of the measures Respondents have implemented or plan to implement to ensure that they have complied or will comply with each paragraph of the Order; a description of all substantive contacts or negotiations for the divestitures and the identities of all parties contacted, and such supporting materials shall be retained and produced later if needed.”

The FTC explains that it intends this new language to clarify, not change, the requirements for compliance reporting.

The FTC also reminds respondents that each compliance report must include a “meaningful level of data” and appropriate documentation to demonstrate substantive compliance with the FTC’s order. If a report lacks adequate detail or support, the FTC may require the respondent to submit a supplemental report. Misleading or incomplete reports are more serious and can constitute independent violations of the order that may result in further enforcement action or contempt penalties. The FTC warns respondents to “plan ahead” to ensure they can satisfy their compliance reporting requirements.

Although this announcement was made by the FTC’s Bureau of Competition, which is responsible for policing antitrust violations, compliance reporting is a common requirement in many FTC orders, including those arising from enforcement actions brought by the FTC’s Bureau of Consumer Protection. But even if the Bureau of Consumer Protection does not adopt similar language in its orders, the FTC’s post should serve as a warning to respondents to FTC orders to remain mindful of their compliance reporting obligations.

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