



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

December 30, 2005

**BY ELECTRONIC MAIL**

John D. Graham  
Administrator  
Office of Information and Regulatory Affairs  
U.S. Office of Management & Budget  
Washington, D.C. 20503

Dear Dr. Graham:

Pursuant to your Memorandum entitled "Guidance for the Information Quality Annual Agency Report to OMB" dated October 17, 2003, the following is a brief summary of the status of information quality complaints received by the Federal Trade Commission (FTC) in 2005. The FTC received one information quality complaint in 2005 and I have enclosed the applicable template information.

*Year-End Information Quality Report*

I. Cover Sheet: Requests for Correction Received FY 2005

Department Name: Federal Trade Commission

Period Covered: January 1, 2005 to December 31, 2005

Web page location of agency information quality correspondence:  
<http://www.ftc.gov/ogc/sec515>

| <b>Agency Name</b>       | <b>Number of Requests Received</b> | <b>Number Designated as Influential</b> |
|--------------------------|------------------------------------|---|
| Federal Trade Commission | 1                                  | 0                                       |
|                          | <b>Total</b>                       | <b>Total</b>                            |

II. If you received correction requests or appeals and did not provide a final response in FY03 or FY04, please list those correction requests below and provide a detailed summary in section III of this template.

| <b>Agency Name</b>       | <b>Number of Requests Received in FY03 or FY04 which were responded to in FY05 or are still incomplete.</b> | <b>Number of Appeals Received in FY03 or FY04 which were responded to in FY05 or are still incomplete.</b> |
|--------------------------|---|--|
| Federal Trade Commission | 0   | 0  |
|                          | <b>Total</b>  | <b>Total</b>   |

III. Please copy and complete the template below for each request for correction received by your agency. Wherever possible, please use excerpts from the request.

- **Agency Receiving Correction Request:** Federal Trade Commission
- **Requestor:** Center for Regulatory Effectiveness
- **Date Received:** Letter head date: 5/20/2005  
Date logged in by IQ Officer: 5/20/2005  
Received: Electronic Mail
- **Summary of Request:** Requester questioned a mall-intercept study and related documents produced and cited by the agency in connection with its Prescreen Opt-Out Rule proceeding. Requester alleged the study was not probative or reliable, and that it was biased. Requester also questioned the accuracy of statements made about a Federal Reserve Board report and statements made in agency requests to OMB for Paperwork Reduction Act (PRA) clearance of the study.
- **Description of Requested Correction:** Requester sought corrections to statements made in the Rule, the study, a consultant's report based on the study, and the agency's PRA clearance requests to OMB.
- **Influential:** \_\_\_ Yes \_\_\_ No  X  Undetermined
- **First Agency Response:** \_\_\_ in progress  X  completed  
Date of Initial Response: 8/16/2005

- **Resolution:** Request denied by Associate Director, Division of Financial Practices. Requester's view that mall intercept studies using non-random sampling methodology were inherently unreliable was not supported by marketing literature, practice, or applicable legal precedent. Agency rejected requester's objections to the study based on alleged bias as lacking merit. Agency also disagreed with requester's characterization of the FRB report and the agency's adherence to the OMB clearance process.
- **Judicial Review:**  none  yes  in progress
- **Appeal Request:**  none  in progress  completed  
Letter head date of appeal request: 9/26/2005  
Date logged in by IQ Officer: 9/26/2005  
Response to Appeal Request: 12/22/2005
- **Summary of Request for Reconsideration:** Requester alleged that agency's IQ guidelines required it to use "sound statistical methods," which requester interpreted as requiring demographic quotas and cross-mall validation. Failure to do so allegedly resulted in ethnic and socio-economic bias, as well as age bias. Requester sought withdrawal and correction of study and related documents.
- **Type of Appeal Process Used:** Request for reconsideration addressed by Principal Deputy General Counsel.
- **Appeal Resolution:** Initial decision upheld (i.e., request for reconsideration and corrections denied). Agency could find no requirement in DQA or otherwise to use alleged quotas in conducting its study. Requester also failed to show why validation was required, and comparative data from related FRB report tended to support FTC's mall-intercept study and report.

Should you have any additional questions, please do not hesitate to contact Daniel Danckaert of my staff at (202) 326-2322 or Alex Tang of the FTC's Office of General Counsel at (202) 326-2447.

Sincerely,

//s//

Stephen Warren  
Chief Information Officer