

Commodity Futures Trading Commission (CFTC) eGov Act Report FY 2009 Executive Summary

The mission of the CFTC is to protect market users and the public from fraud, manipulation, and abusive practices related to the sale of commodity futures and options, and to foster open, competitive, and financially sound commodity futures and option markets. Through effective oversight regulation, the CFTC enables the commodity futures and option markets to better serve their vital function in the Nation's economy--providing a mechanism for price discovery and a means of offsetting price risks.

The Commission protects the economic function of the markets by monitoring market activity. Surveillance is conducted to detect attempted manipulation and other abusive practices that could undermine the capacity of these markets to perform their economic function and to take preventive measures.

The Commission also ensures that markets operate without manipulation, without systemic risk, and with sufficient transparency by overseeing clearing organizations and futures commission merchants.

Substantial growth in market activity, the use of electronic trading platforms, and the complexity of trading instruments have challenged the Commission to reconfigure its ability to identify, investigate, and take action against parties involved in violating applicable laws and regulations.

CFTC E-Government initiatives are aligned with and directly support these market monitoring, enforcement, and oversight activities.

Transparency, Engagement, and Innovation

During FY 2009 the CFTC:

- extended the Commission's oversight to previously unregulated significant price discovery contracts
- conducted open Hearings on speculative trading in the energy markets
- enhanced market transparency of the publicly-available [Commitments of Traders Reports](#) by disaggregating Commercial and Noncommercial positions and by including position data of linked foreign contracts and began publishing [This Month in Futures Markets](#) reports
- issued, with the Securities and Exchange Commission, a joint harmonization report to bring greater consistency, where appropriate, to the agencies' regulatory approaches
- Filed 50 Enforcement actions and opened 251 investigations of potential violations of the Act and Commission regulations.

In the coming year the Commission is preparing to participate in the regulation of the Over-the-Counter (OTC) derivatives marketplace to improve transparency, lower risk, and support continued innovation in the financial industry.

One of our most successful E-Government innovations is the continued implementation and expansion of eLaw to support our enforcement activities. eLaw is an automated law office that seamlessly integrates technology and work processes to support staff in their investigative, trial, and appellate work. It allows staff to track and monitor all activities related to investigations, discoveries, and litigation plans by integrating best-of-breed Commercial, off-the-shelf (COTS) software products (Practice Manager, CaseMap, TimeMap, Concordance, Nexidia, LiveNote, Sanction, and Law Prediscovery).

Since we must aggregate the information we make publicly available to protect market participants, we are reviewing which [CTFC publicly-available datasets](#) are most appropriate for hosting on data.gov. Our current priority is to focus on data standardization of the detailed trading and financial information we receive from exchanges and other participants by adopting the Financial Information eXchange markup language (FIXML) and eXtensible Business Reporting Language (XBRL) to increase transparency and usability.

CFTC complies with OMB requirements by posting its contract data in the Federal Procurement Data System (FPDS). This is consistent with the instructions found in OMB memorandum M-09-19 which states “Contract data is provided by the Federal Procurement Data System.” CFTC does not have any program activity that is reported in the Federal Assistance Awards Data System (FAADS).

To advance citizen participation and feedback, we use the [CFTC website](#) to communicate our [mission](#), [actions](#), and [activities](#) to all stakeholders and provide both [RSS](#) (Really Simple Syndication) and [email](#) information delivery services. We publish pending industry filings on our website, solicit comments on those filings and proposed rules, link to all open comment periods on our [Public Comment](#) page, and provide a highlight on our home page that contains deadlines for comment periods for Federal Register releases. We webcast all open meetings and make the webcasts available for [later viewing](#). We also solicit and provide [contact information](#) for Futures Market Customer Protection; Equal Employment Opportunity; Freedom of Information Act Compliance; Employment, Information Quality; Fraud, Waste, and Abuse; Procurement Opportunities; National Futures Association (NFA) Registration; Small Businesses; and Website Accessibility and Technical Issues.

Information & Information Technology Management

Though we are not a scorecard agency and have not been directed to submit information for the IT Dashboard, we manage IT investments effectively. Our investments are effectively aligned with our agency strategic plan and are supporting performance improvement across all agency goals. We regularly review investments and our planning and procurement process tracks planned and actual budgets and aligns priorities as needed.

We first developed an agency Enterprise Architecture (EA) in FY 2005. We used that EA to inform the development of our current website and subsequent projects, including an Enterprise Records and Document Management System (ERDMS) currently in the requirements phase. In FY 2009 we developed and implemented a Project Management Life Cycle (PMLC) to

effectively support an increase in IT investment activity. In FY 2010 we will be awarding a contract to replace our current EA with an EA that is more effectively integrated with our IT management processes, PMLC, IT strategic planning, and capital planning and investment and is appropriate for a small agency.

Our recent modernization investments (desktop and mobile hardware and software, virtualized servers, storage area network, wide area network infrastructure) were necessitated by a previous period of low operations and maintenance investment. However, in FY 2009 and continuing in FY 2010 and beyond we are focusing on the following investments to keep pace with recent growth in futures market activity, the use of electronic trading platforms, and the complexity of trading instruments:

- Trade Surveillance System (TSS) - Enables staff to conduct surveillance in the rapidly expanding area of electronic trading, both intra and inter-exchange and across side-by-side platforms. Details of all transactions are collected from exchanges and made available for reporting, analysis, and profiling. TSS is being modernized to support automated alerts and complex modeling to improve the detection of trading abuses and to support future integration with the Commodity Data Warehouse (CDW).
- Integrated Surveillance System (ISS) - Collects futures and options end-of-day position data for large traders from reporting firms and open interest, volume, price, and clearing member data from exchanges to detect market anomalies. ISS is being modernized to improve performance and reporting, provide automated alerts and workflows, and support future integration with the Commodity Data Warehouse (CDW).
- Commodity Data Warehouse (CDW) – Will provide a single source for CFTC enterprise business data which will be used by applications to conduct analysis, and to orchestrate data sharing across CFTC applications.
- eLaw - An automated law office that seamlessly integrates technology and work processes to support staff in their investigative, trial, and appellate work. It allows staff to track and monitor all activities related to investigations, discoveries, and litigation plans. eLaw is being expanded to support use by non-enforcement CFTC legal staff. Forensics capabilities are also being expanded.
- Intranet Reengineering– Will enhance communication and improve staff productivity through more efficient access to information resources, tools, and content.
- Electronic Records and Document Management (ERDM) - will include appropriate levels of workflow automation and enterprise search capability to increase business process and information transparency, boost productivity, and improve compliance with Federal records requirements.
- CFTC.gov Enhancements – Will address visitor feedback collected in FY 2009 through improvements in website usability and the use of social media to improve transparency and outreach.

The CFTC FOIA Handbook is published at <http://www.cftc.gov/foi/foiareference/cftcfoiaguide.html>. The primary CFTC FOIA webpage is <http://www.cftc.gov/foi/index.htm>. Frequently requested information under FOIA is published at http://www.cftc.gov/foi/foia_freqrequestinfo.html.

The CFTC is committed to making the information it delivers via the Internet [accessible](#) to the widest possible audience, including those with disabilities. We make every attempt to ensure that our website meets or exceeds the requirements of Section 508 of the Rehabilitation Act of 1973, as amended.

We do not support research and development (R&D) or disseminate R&D information.

CFTC will enter into a GSA-facilitated hosting agreement with YouTube to upload video clips onto a channel dedicated to CFTC content and designated with the CFTC official logo. Video content will include open meetings, public testimony by the Chairman and Commissioners, and other examples of the Commission at work. We will also enter into similar agreements with other social media service providers as appropriate to improve our outreach and comply with President Obama's Open Government Directive

The CFTC has a comprehensive NARA-approved records disposition schedule to govern the disposal of its records. We submitted three systems requiring schedules in FY 2009 in accordance with NARA Bulletin 2006-02. Additionally, our records manager is a key stakeholder in our electronic records and document management (ERDM) project which will improve our use of and management of digital information assets.

Implementation of E-Government Initiatives

The agency-specific E-Government initiatives outlined above are fully aligned with the CFTC mission and its goals and are transforming agency operations by supporting CFTC's adapting to growth in market activity, the use of electronic trading platforms, and the complexity of trading instruments and its preparation to participate in the regulation of the Over-the-Counter (OTC) derivatives marketplace. They improve the collection and analysis of information essential to financial industry oversight, allow attorneys to work effectively in a digital environment, allow all staff to use information assets more effectively, and improve communication with all stakeholders. They are mandatory investments that allow the Commission to remain effective during industry growth.

We collaborate extensively with exchanges, self-regulatory organizations, and other industry participants through working groups to ensure the initiatives are successful.

In addition to evaluating the impact of these investments on agency outcome performance measurements, we measure investment alignment with the Commission Strategic Plan, our investment reviews, and schedule performance.

In addition to ensuring that our website meets or exceeds the requirements of Section 508 of the Rehabilitation Act of 1973, as amended, we maintain a toll-free number for citizens who may not have internet access to report [suspicious activities or information](#).

As described above, for all initiatives we use the same practices for collaborating with external partners, applying effective capital planning and investment control, identifying initiatives, and using our PMLC to quantify cost savings.

Though as a small agency we do not operate a data center, we are planning in FY 2010 to review co-location and cloud computing alternatives in order to reduce our disaster recovery timeframes and reduce our cost of operations.

The CFTC telework program is effectively supported through secure, remote access to staff desktop computers. We supplement this access with shared terminal services facilities for basic office automation services and distribution of secure laptop computers and storage devices to key staff. Microsoft Office Communicator and SharePoint are deployed to all staff.