



**U.S. Consumer Product Safety Commission
OFFICE OF INSPECTOR GENERAL**



Semiannual Report to Congress

October 1, 2022 to March 31, 2023

April 28, 2023

23-O-05



VISION STATEMENT

We are agents of positive change striving for continuous improvements in our agency's management and program operations, as well as within the Office of Inspector General.

STATEMENT OF PRINCIPLES

We will:

Work with the Commission and the Congress to improve program management.

Maximize the positive impact and ensure the independence and objectivity of our audits, investigations, and other reviews.

Use our investigations and other reviews to increase government integrity and recommend improved systems to prevent fraud, waste, and abuse.

Be innovative, question existing procedures, and suggest improvements.

Build relationships with program managers based on a shared commitment to improving program operations and effectiveness.

Strive to continually improve the quality and usefulness of our products.

Work together to address government-wide issues.



Top 10 Most Significant Open Recommendations from the Office of Inspector General to the U. S. Consumer Product Safety Commission

1. Develop and implement an internal control system covering the operations of the CPSC's programs. (FMFIA)
2. Develop effective written policies and procedures to govern agency operations. (DIRECTIVES)
3. Develop and implement an Enterprise Risk Management (ERM) program to allow agency officials to utilize risk management principles in the operations of the agency. (FISMA21)
4. Ensure that management officials are aware of OIG recommendations that impact their areas of responsibility and actively work toward implementing said recommendations. (BREACH)
5. Develop and implement a data-driven methodology to measure the Human Capital Program's effectiveness and report results to agency management. (HCPA)
6. Improve the effectiveness of agency communication and other outreach efforts by implementing a risk assessment process. (OCM)
7. Use all available tools to assist in the recruitment and retention of staff, particularly in hard to fill positions. (HCPA)
8. Develop and implement written guidance governing the CPSC's use of statements of assurance to meet its requirements under the FMFIA. (BREACH)
9. Develop, document, and maintain a software inventory. (CYBER)
10. Assess the IT security risks previously identified and develop a corrective action plan that prioritizes addressing the most critical risks and establishes a timeline for taking corrective action. (FISMA21)



MESSAGE FROM THE INSPECTOR GENERAL



I am pleased to submit the Semiannual Report to Congress for the U.S. Consumer Product Safety Commission (CPSC) Office of Inspector General (OIG). This report details the work of the OIG in the oversight of the CPSC for the first half of Fiscal Year (FY) 2023.

My professional and dedicated staff continue to do the work necessary to fight fraud, waste, and abuse at the CPSC while continuing to make findings and recommendations to aid the agency in achieving its mission. Unfortunately, the agency continues to block our plans to hire additional staff to provide oversight of the agency for Congress and the American people.

The CPSC has repeatedly extended the pilot telework program it used to maintain operations during the pandemic. However, one year after agencies completed reentry and with the planned conclusion of the public health emergency, it has not released any substantive information regarding its plans for transitioning to a permanent hybrid work environment. Additionally, the agency's admitted failure to comply with OMB Memorandum (M)-22-14, *FY 2024 Agency-wide Capital Planning to Support the Future of Work* (July 22, 2022), means that the agency has, to date, failed to take into consideration office space and other capital requirements as part of its planning. Given both the employee engagement and workspace utilization changes anticipated in the adoption of a hybrid workplace, it is concerning that the CPSC does not anticipate coming into compliance with M-22-14 until the end of the current fiscal year.

As detailed in both previous semiannual reports and our audit of the CPSC's Implementation of the Federal

Managers' Financial Integrity Act, the CPSC has still not established and implemented a formal internal control program over its operations.

Additionally, there remains a misalignment between how the CPSC identifies programmatic or operational activities, how it measures the performance of these activities, and how it reports these activities. Without an effective internal control program, the CPSC may not be able to identify and address appropriate risks or measure whether programs are operating as intended. As evidenced by recent failures to comply with the Antideficiency Act, The Good Accounting Obligation in Government Act, and the previously mentioned OMB M-22-14, we are concerned that the internal control challenges facing the agency also adversely impact the CPSC's ability to comply with its legal requirements.

As in FYs 2021 and 2022, the agency has again in FY 2023 failed to fund planned efforts to improve its internal control program. Additionally, the agency's decision not to provide our office the previously agreed-to full time positions aggravates the above-described risks and hinders our oversight of the agency.

On a brighter note, the Chair and General Counsel have championed an effort to review and revise the agency's directives system. Although much work remains, this program has shown great promise. If successfully implemented, this would be a key step in improving internal control across the agency.

Finally, I am pleased to report that the agency has, as promised, addressed the previously reported issue related to OIG access to agency emails.

We look forward to continuing to work with Congress and agency management in order to promote the efficiency and effectiveness of agency programs.

Christopher W. Dentel, Inspector General

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BACKGROUND

U.S. Consumer Product Safety Commission

The U.S. Consumer Product Safety Commission (CPSC or Commission) is an independent federal regulatory agency, created in 1972, by the Consumer Product Safety Act (CPSA). In addition to the CPSA, as amended by the Consumer Product Safety Improvement Act of 2008 (CPSIA), and Public Law No. 112-28, the CPSC administers other laws, such as: the Flammable Fabrics Act, the Refrigerator Safety Act, the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, the Labeling of Hazardous Art Materials Act, the Child Safety Protection Act, the Virginia Graeme Baker Pool and Spa Safety Act, the Children's Gasoline Burn Prevention Act, the Drywall Safety Act, the Child Nicotine Poisoning Prevention Act, the Portable Fuel Container Safety Act (15 U.S.C. § 2056d), the Nicholas and Zachary Burt Memorial Carbon Monoxide Poisoning Prevention Act, the Safe Sleep for Babies Act, Reese's Law (Public Law No. 117-171), the imitation firearms provisions of Public Law Nos. 100-615 and 117-167, and the STURDY requirements of Public Law No. 117-328.

Congress granted the CPSC broad authority to issue and enforce standards prescribing performance requirements, warnings, or instructions regarding the use of consumer products under the CPSA and the CPSIA, as well as numerous other laws.

By statute, the CPSC is headed by five commissioners who are nominated by the president and appointed by and with the advice and consent of the Senate. One of the commissioners is designated by the president and confirmed by the Senate to serve as the Chairman of the CPSC. The chairman is the principal executive officer of the Commission.

Currently, the commission consists of four members. The administration has recently nominated a fifth. If confirmed, this nominee would bring the commission back to a full complement of commissioners.

Office of Inspector General

The Office of Inspector General (OIG) is an independent office established under the provisions of the Inspector General Act of 1978 (IG Act), as amended. The CPSC OIG was established on April 9, 1989. Mr. Christopher W. Dentel was named Inspector General in 2004.

We are agents of positive change striving for continuous improvements in our agency's management and program operations, as well as within the Office of Inspector General.



We are committed to:

- Working with the Commission and the Congress to improve program management.
- Maximizing the positive impact and ensuring the independence and objectivity of our audits, investigations, and other reviews.
- Using our investigations and other reviews to increase government integrity and recommend improved systems to prevent fraud, waste, and abuse.
- Being innovative, questioning existing procedures, and suggesting improvements.
- Building relationships with program managers based on a shared commitment to improving program operations and effectiveness.
- Striving to continually improve the quality and usefulness of our products.
- Working together to address government-wide issues.

We offer actionable recommendations to increase the efficiency and effectiveness of the CPSC in its mission to protect the public against unreasonable risks of injuries associated with consumer products. We focus our available resources on high-risk areas and continuously seek ways to provide value to our stakeholders.

Top Management and Performance Challenges Facing the CPSC for FY 2023

1. Internal Control System
2. Enterprise Risk Management
3. Resource Management
4. Information Technology Security

The top four management challenges facing the CPSC in fiscal year (FY) 2023 remained the same as in FY 2022. While the titles of the challenges remained the same, the details supporting the challenges were revised as new audits and research brought to light further opportunities for change and progress at the agency.

The OIG recently developed a new product, called a Management Alert, designed to call management's attention to an issue that requires immediate attention. This tool is generally used when we find a matter related to legal compliance rather than program performance. We issued the first management alert on March 23, 2023, please click [here](#) for the alert.

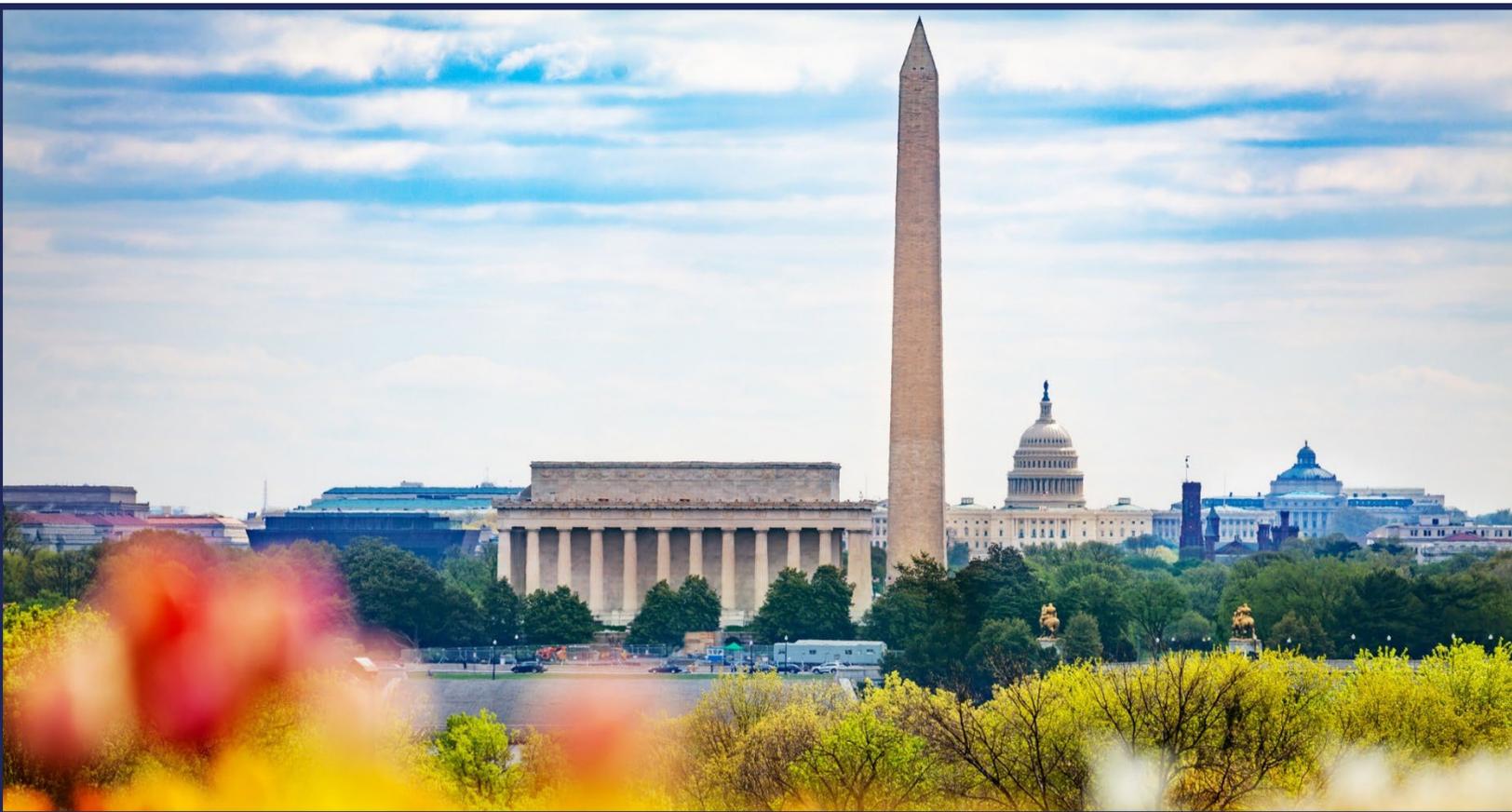
We have recently revised our Top Ten Recommendations for the agency to better reflect current Management Challenges.



Ongoing Projects

As of the publishing of this report, the OIG has six ongoing projects. These include three discretionary audits selected based on our annual risk assessment. The first two of these, audits of the agency's import surveillance and third-party laboratory accreditation programs, will assess the effectiveness of two CPSC programs that are key to protecting American consumers from dangerous imported products. These audits are being performed by CPSC OIG staff. The final discretionary audit involves a review of the agency's compliance with employee tax withholding requirements. This audit, which is contracted out, is being done to assess the agency's efforts to ensure that its employees are satisfying their tax obligations.

Finally, the OIG is conducting three of its statutorily required assessments. These consist of evaluations of the agency's financial statements, compliance with the Payment Integrity Information Act (PIIA), and the Federal Information Security Modernization Act (FISMA) information technology security review. These reviews have been contracted out. Each of these assessments, as well as the tax withholding engagement, is a government-wide requirement with a large number of competent contractors available to perform the work. As a result of contracting statutorily required assessments out, the OIG is able to focus its resources and leverage the expertise of our staff auditors, who are familiar with the CPSC's mission and programs, on CPSC specific audits.



AUDIT PROGRAM

During this semiannual period, the OIG completed four audits, reviews, or special projects.

Audit of the Consumer Product Safety Commission's Fiscal Year 2022 Financial Statements

Transmitted: November 15, 2022

For the full report and list of open recommendations click [here](#)

The OIG contracted with CliftonLarsonAllen, LLP (CLA), an independent public accounting firm, to perform an independent audit of the CPSC's financial statements according to all current standards for the period ended September 30, 2022. The objective of this audit was to determine whether the CPSC's financial statements presented fairly the financial position of the agency and complied with relevant laws and regulations. The CPSC was required to submit audited financial statements in accordance with the Accountability of Tax Dollars Act of 2002, which retroactively implements the Chief Financial Officers Act of 1990 (CFO Act) for smaller agencies, including the CPSC. CLA found that the financial statements presented fairly the financial position of the agency and complied with relevant laws and regulations. This audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS).

CPSC Penetration Test 2022

Transmitted: December 13, 2022

For the full report and list of open recommendations click [here](#)

The OIG contracted with Williams, Adley & Company-DC, LLP (Williams Adley) to perform a penetration and vulnerability assessment of the CPSC network. Williams Adley subcontracted the assessment to Cerberus Sentinel. The objective of this penetration test was to assess the security of the CPSC's information technology infrastructure by safely attempting to exploit security vulnerabilities. The review was performed in accordance with the Council of the Inspectors General for Integrity and Efficiency (CIGIE) *Quality Standards for Inspections and Evaluations* (QSIE). Overall, Cerberus Sentinel found that the CPSC had not designed its information technology infrastructure to be compliant with government-wide guidance and that its information technology infrastructure was not adequately secure. To improve the CPSC's information technology infrastructure Cerberus Sentinel made 14 recommendations 10 of which remain open.

Management Alert 23-O-04

Transmitted: March 23, 2023

For the full report and list of open recommendations click [here](#)

The OIG issued a management alert to make the CPSC aware that it is out of compliance with Office of Management and Budget (OMB) Memorandum (M)-22-14. In November 2019, OMB



issued a memorandum instructing all heads of executive departments and agencies to submit a capital plan outlining their real property management strategy on August 15th of each year starting in 2020. Specifically, each agency is required to detail both their immediate real property resource needs and their property needs for the future in conjunction with their annual budget formulation process. On August 6, 2021, OMB paused the annual capital plan reporting requirement due to the COVID-19 pandemic. On July 20, 2022, OMB issued a memorandum requiring agencies to restart their annual capital plan reporting by December 16, 2022; but exempted non-CFO Act agencies, such as the CPSC, from submitting their capital plans to OMB. Instead, the CPSC was merely required to complete the capital plan by that date. OMB stressed the importance of agencies considering broader workforce and workplace trends, lessons learned from agency operations during the COVID-19 pandemic, and the need for the federal government to be competitive for top talent as employers in the broader labor market. The resulting capital plan was intended to be a key tool in the agency's development of a plan for the future of work and their workforces. The CPSC did not develop a capital plan. CPSC management has stated that they initially thought they were exempt from this requirement. However, they reassessed that decision after the inquiry by the OIG. They will prepare a plan no later than the end of FY 2023.

Human Capital Program Assessment

Transmitted: March 30, 2023

For the full report and list of open recommendations click [here](#)

The OIG contracted with AE Strategies (AES) to evaluate the CPSC's human resources function's ability to provide adequate support to the CPSC. AES evaluated the human resources function using the Human Capital Framework evaluation model. This review was performed using Office of Personnel Management (OPM) assessment tools to address strategic planning, talent management, performance management, and human resource performance evaluation topics.

AES found that the CPSC's human capital program does not align with federal regulations and lacks overall accountability. If not corrected, these shortcomings may prevent the CPSC from achieving its mission. Many of the findings and recommendations found in this assessment are over two decades old and were first identified in OPM evaluations in 1998 and 2008. These recommendations were never resolved, including a finding that the CPSC had not established a system of accountability to ensure that its human capital program is managed effectively and efficiently. As a result of this assessment AES made 41 recommendations, which if implemented, will improve the human capital function at the CPSC and help the agency achieve its mission. The agency has non-concurred with eight of these recommendations. We will continue to work with agency management to persuade them to implement all the recommendations.

INVESTIGATIVE PROGRAM

The OIG investigates complaints and information received from the CPSC’s employees, other government agencies, and members of the public concerning possible violations of laws, rules, and regulations, as well as claims of mismanagement, abuse of authority, and waste of funds. The objectives of this program are to maintain the integrity of the CPSC and ensure individuals of a fair, impartial, and independent investigation.

Several individuals contacted the OIG directly during the reporting period to discuss their concerns about matters involving CPSC programs and activities. During the reporting period, the OIG completed one investigation involving a senior government employee. The OIG did not receive any actionable allegations of whistleblower retaliation. The table below summarizes the disposition of complaints and investigative work performed from October 1, 2022, through March 31, 2023.

Investigation Status	Count
Open as of October 1, 2022	3
Opened during reporting period	38
Closed during reporting period	2
Transferred to other Departments/Agencies	34
Investigative Reports issued	1
Referred to Department of Justice for Criminal Prosecution	0
Referred for State/Local Criminal Prosecution	0
Total Indictments/Information from Prior Referrals	0
Open as of March 31, 2023	5

In developing the above statistical table, each case was entered into the appropriate rows based on its ultimate outcome.

No convictions resulted from investigations conducted by the OIG.

Investigative reports issued this reporting period

Report of Investigation into Irregularities in the FY2022 Operating Plan Vote

Transmitted: December 1, 2022

For the full report and list of open recommendations click [here](#)

A senior agency official asked the OIG to investigate the propriety of the acting general counsel’s nullification of the Commissioners’ vote on the FY 2022 Operating Plan. Although at the time of the request the nullification had already been overturned by a vote of the Commission, the



official was concerned that the legal review supporting the nullification remained in effect and constituted a precedent potentially allowing agency staff to nullify the votes of Commissioners in the future. We determined that there were procedural irregularities in the Commission vote on the FY 2022 Operating Plan; that the acting general counsel's nullification of the vote was improper; and that there was an unauthorized release of a related privileged document to the media. Agency management concurred with our findings and generally concurred with the associated recommendations. This report made seven recommendations to improve the agency's decision-making processes, only one of which remains open.



INSTANCES OF CPSC INTERFERENCE WITH OIG INDEPENDENCE

Section 5(a)(15) of the IG Act, as amended, requires a detailed description of any attempt by the establishment (in this instance the CPSC) to interfere with the independence of the agency's OIG. This potential interference includes budget constraints designed to limit the OIG's capabilities and incidents where the agency resisted OIG oversight or delayed OIG access to information. During this reporting period, the OIG continues to experience agency interference regarding the allocation of OIG budgetary resources. However, the issue previously reported regarding access to agency email appears to have been resolved.

Budgetary Constraints

The CPSC received \$50 million in American Rescue Plan Act of 2021 (ARPA) funding as well as additional funding for its Pool Safety and Carbon Monoxide grant programs. Further, the CPSC is seeking a substantial increase in funding over the next several years to allow it to better address evolving issues related to consumer safety. This office sought and received agency approval to hire two additional full time equivalent positions (FTEs) to provide increased oversight of agency programs including the use of ARPA funds and other program initiatives, such as the expansion of the agency's import surveillance efforts. After initially approving the request but receiving a final appropriation lower than anticipated, the agency offered the OIG an additional \$150,000 but prevented the OIG from using the funds to hire additional staff and advised the OIG to contract out the oversight work. However, the determination of whether or not to contract out OIG work in specific and how to best utilize OIG resources in general is under the purview of the Inspector General and not the agency. We determined that it is more advantageous to the OIG and the agency to develop and retain increased agency knowledge and oversight capacity in-house by hiring staff and not contracting out efforts piecemeal. Unlike many agencies, the CPSC does not have an FTE level set by OMB. In so far as the CPSC has an FTE cap, it is self-imposed. It is concerning that the agency has repeatedly chosen to deny the OIG the ability to increase staff despite acknowledging the availability of funding to do so.

In response to this continued interference in the operations of the OIG and to further enhance the OIG's ability to provide oversight to the agency, we will be submitting a separate OIG budget request to the Office of Management and Budget in FY 2024. The OIG's authority to submit a separate budget request is set out in the IG Act. Our goal is to manage our operations, FTE count, and our budget independently from the agency in order to more effectively and independently serve the needs of the American people through our oversight of the CPSC.



Access to Information

On August 12, 2021, the Chief Information Officer (CIO) informed the Inspector General that the Office of Information and Technology Services (EXIT) was adopting a new policy regarding access to email systems and would no longer allow the OIG to directly access and search agency email. The CIO's proposal was to have EXIT staff conduct searches relating to OIG investigations and require that we inform the CIO and/or a Deputy Executive Director of the details of our requests for searches. This would impinge on OIG independence and violate both the privacy and due process rights of the subjects and witnesses involved in our investigations.

This issue was raised to then acting Chairman Adler in the summer of 2021. He chose to accept the CIO's position and continued to deny the OIG direct access to agency email for use in investigations.

This issue was later raised with the current Chair. He proposed a solution whereby the OIG would use a Department of Justice contractor to access agency records and perform a search on behalf of the OIG. The OIG has worked with the Office of the Executive Director to finalize procedures to implement this solution. Although this process has not yet been used in an investigation, it appears to address our concerns.



OTHER ACTIVITIES

Legislation and Regulatory Review

The OIG reviews internal and external regulations and legislation that affect the OIG specifically, or the CPSC's programs and activities generally. The following were reviewed and commented upon during the reporting period:

Antideficiency Act
American Rescue Plan Act
Commission Decision Making Procedures
Consolidated Appropriations Act 2021 and 2022
Consumer Product Safety Act
Consumer Product Safety Commission Regulations
Consumer Product Safety Improvement Act of 2008
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
Economy Act
Ethics Regulations
Executive Order 13932
Federal Acquisition Regulations
Federal Records Act
Federal Records Management Act
Federal Travel Regulations
Freedom of Information Act
Good Accounting Obligation in Government Act
Inspector General Act of 1978, as amended
Maryland Attorneys' Rules of Professional Conduct
National Defense Authorization Act for Fiscal Year 2023
Office of Management and Budget Circulars and Memoranda
Office of Personnel Management Classification Standards
Peer Review Guides
Privacy Program
Prohibited Personnel Practices
Public Disclosure of Information, 15 U.S.C. 2055
Purpose Act
Quality Standards for Inspection and Evaluation
Records Management Policies and Regulations
Standards of Conduct for Government Employees
Whistleblower Protection Enhancement Act



OIG Coordination

COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

The Inspector General maintains active membership in CIGIE and its associated subcommittees. CIGIE identifies, reviews, and discusses issues that are of interest to the entire OIG community. The Inspector General serves on the Audit, Legislation, and Inspection and Evaluation Committees, the Audit Peer Review Subcommittee, and as an adjunct instructor for the CIGIE Training Institute. The Inspector General regularly attends meetings held by CIGIE and their joint meetings with the Government Accountability Office.

The OIG's staff attended seminars and training sessions sponsored or approved by CIGIE. OIG staff are also active participants in a variety of CIGIE subgroups including but not limited to the Deputy Inspectors General group, the management and planning group, and groups covering topics such as investigations, information technology, FISMA, PIIA, and financial statement audits.

COUNCIL OF COUNSELS TO THE INSPECTORS GENERAL

The Counsel to the Inspector General is a member of the Council of Counsels to the Inspectors General (CCIG). The CCIG considers legal issues of interest to the Offices of Inspectors General. During the review period, the Counsel met with peers to discuss items of mutual interest to all OIGs. The Counsel also participates in the CCIG National Defense Authorization Act Working Group (including the Definitions subgroup), CCIG Investigative Counsel working group, Freedom of Information Act working group, and Small OIG Counsel group.



Peer Reviews

The OIG has in the past completed work under both GAGAS and CIGIE QSIE. Each standard-setting body requires the organization to obtain an external review of its system of quality control every three years and make the results publicly available. The OIG continues to perform work utilizing GAGAS but now only utilizes CIGIE QSIE for work that is contracted out.

GAGAS Peer Reviews

On March 31, 2023, the Ability One Office of Inspector General issued a report of its External Peer Review of our audit organization and opined that our system of quality control for the year ending September 30, 2022, had been "suitably designed and complied with to provide the CPSC OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with Government Auditing Standards and applicable legal and regulatory requirements." Audit organizations can receive a rating of pass, pass with deficiencies, or fail. We received an External Peer Review rating of pass. This peer review is on our website [here](#).

On December 15, 2022, the CPSC OIG completed a peer review of the Library of Congress' Office of Inspector General. They received an External Peer Review rating of pass.

CIGIE QSIE Peer Reviews

On March 10, 2023, the Architect of the Capitol Office of Inspector General issued a report of its External Peer Review of our Inspection and Evaluation organization and opined "that the CPSC OIG's policies and procedures generally complied and were consistent with Standard 7 - Quality Control of the Blue Book standards addressed in the external peer review." Inspection and Evaluation Organizations can receive a rating of "generally complied" or "did not generally comply" with Blue Book Standards. We received a rating of "generally complied" with applicable standards. This peer review is available on our website [here](#).

The CPSC is currently performing a peer review of the Office of the Special Inspector General for the Troubled Asset Relief Program's Inspection and Evaluation organization.



APPENDIX A: CROSS-REFERENCE TO REPORTING REQUIREMENTS OF THE IG ACT

Citation	Reporting Requirements	Page(s)
Section 4(a)(2)	Review of legislation and regulations.	11
Section 5(a)(1)	Significant problems, abuses, and deficiencies relating to the administration of programs and operations of the establishment and associated reports and recommendations for corrective action made by the OIG.	5-7, 18-22
Section 5(a)(2)	An identification of each recommendation made before the reporting period, for which corrective action has not been completed, and identification of cost savings associated with the recommendation.	18-22
Section 5(a)(3)	A summary of significant investigations closed during this reporting period.	7-8
Section 5(a)(4)	An identification of the total number of convictions during the reporting period resulting from investigations.	7
Section 5(a)(5)	Information regarding each audit, inspection, or evaluation, total dollar value of questioned costs and funds put to better use during this reporting period.	5-6
Section 5(a)(6)	Information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period.	NA
Section 5(a)(7)	Information under section 804(b) of Federal Financial Management Improvement Act of 1996.	NA
Section 5(a)(8)	Results of peer review.	13
Section 5(a)(9)	Outstanding recommendations from any peer review conducted by another OIG.	NA
Section 5(a)(10)	Any peer reviews performed of another OIG.	13
Section 5(a)(11)	Statistical table showing total number of investigative reports, referrals, and results of referrals.	7
Section 5(a)(12)	Metrics used to develop data for tables in section 5(a)(11).	7
Section 5(a)(13)	Report on each investigation involving a senior government official where allegations of misconduct are substantiated.	7
Section 5(a)(14)	Detailed description of whistleblower retaliation.	NA
Section 5(a)(15)	Detailed description of attempts to interfere with OIG independence.	9
Section 5(a)(16)	Detailed description of every inspection, evaluation, and audit closed and not publicly disclosed, and every investigation of senior government employee closed and not publicly disclosed.	NA



APPENDIX B: STATEMENT REGARDING PLAIN WRITING

We strive to follow the Plain Writing Act of 2010. The act requires that government documents be clear, concise, well-organized, and follow other best practices appropriate to the subject or field and intended audience. The abbreviations we use in this report are listed below.

Table of Abbreviations	
AES	AE Strategies
ARPA	American Rescue Plan Act
CCIG	Council of Counsels to the Inspectors General
CFO Act	Chief Financial Officers Act of 1990
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CIO	Chief Information Officer
CLA	CliftonLarsonAllen, LLP
CPSA	Consumer Product Safety Act
CPSIA	Consumer Product Safety Improvement Act of 2008
CPSC and Commission	U.S. Consumer Product Safety Commission
EEO	Office of Equal Employment Opportunity and Minority Enterprise
EXIT	Office of Information and Technology Services
FISMA	Federal Information Security Modernization Act
FMFIA	Federal Managers' Financial Integrity Act
FTE	Full Time Equivalent
FY	Fiscal Year
GAGAS	Generally Accepted Government Auditing Standards
IG Act	The Inspector General Act of 1978, as amended
Kearney	Kearney & Company
M	Memorandum
NEISS	National Electronic Injury Surveillance System
NIST CSF	National Institute of Standards and Technology Cybersecurity Framework
OCM	Office of Communications Management
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PIIA	Payment Integrity Information Act
QSIE	Quality Standards for Inspection and Evaluation
Williams Adley	Williams, Adley & Company-DC, LLP



APPENDIX C: STATUS OF RECOMMENDATIONS

Only 18 recommendations were closed during the current reporting period, down from 22 in the immediately preceding period, and 45 in the period before that. On a positive note, 10 of the 18 recommendations closed by the agency related to reports issued during the reporting period, and thus are not represented on the table on the next page.

We attribute some of the agency's difficulties in closing recommendations to the CPSC's long-term challenges regarding written policies and procedures. Entirely too many of the agency's programs rely on out-of-date written policies and procedures or lack written policies and procedures entirely. The CPSC has attempted to deal with this challenge by revising its directives system. In the short term, the emphasis placed on revising the directives system may result in a delay in the closing of a number of individual recommendations. This is due to both the amount of effort required to overhaul the current system and the need to incorporate internal control changes of individual programs into the overall revised directives system. If successfully designed and implemented, a revised directives system has the potential to greatly improve agency operations and internal controls as well as to serve as a key component in closing multiple recommendations.

The Good Accounting Obligation in Government Act

The Good Accounting Obligation in Government Act, enacted in 2019, requires agencies to provide with their annual budget request a report that includes a list of unimplemented recommendations, an explanation of the reasons why no final action has been taken regarding the unimplemented recommendations, and a timeline for the implementation of unimplemented recommendations.

The Inspector General notes that the agency's Good Accounting Obligation in Government Act report dated February 7, 2023, includes neither the required explanation of the reasons why no final action was taken regarding unimplemented recommendations nor the required timeline concerning the implementation of same.

The table below provides a summary of reports with open recommendations made before the current semiannual period and shows progress made during the last six months.

Summary of Recommendation Implementation Progress							
Report Short Title	Report Date	Total Recommendations	Closed Prior to October 1, 2022	Open as of October 1, 2022	Closed during the period	Open as of March 31, 2023	Total Days Past Due as of March 31, 2023
RMS	6/5/2012	8	3	5	0	5	3771
CYBER	8/14/2016	5	0	5	0	5	2240
TELEWORK	9/29/2017	9	4	5	0	5	1829
OEP	6/7/2018	12	6	6	0	6	1578
DIRECTIVES	3/21/2019	2	1	1	0	1	1291
PROPERTY	5/31/2019	25	10	15	0	15	1220
PENTEST	6/11/2019	40	29	11	4	7	1209
BREACH	9/25/2020	40	13	27	0	27	737
NEISS	11/9/2020	12	8	4	4	0	-
OCM	2/19/2021	11	10	1	0	1	590
FDS	4/16/2021	4	0	4	0	4	534
EEO	4/27/2021	4	0	4	0	4	523
PD*	4/29/2021	13	1	11	0	11	521
FMFIA	5/12/2021	7	0	7	0	7	508
FISMA 21	10/29/2021	47	7	40	0	40	338
NIST CSF	1/18/2022	5	0	5	0	5	257
FISMA 22**	7/22/2022	3	0	3	0	3	72
		247	92	154	8	146	

*One recommendation from this audit is no longer monitored due to agency nonconcurrency.

**This audit had a total of 24 recommendations, three of which were new. We will assign FISMA recommendations to the first report in which they are identified.



Previously Issued Reports with Open Recommendations

Please see the links below for open recommendations for each report.

Consumer Product Safety Risk Management System Information Security Review Report (RMS)

Transmitted: June 5, 2012

For the full report and list of open recommendations click [here](#)

The objective of this review was to evaluate the application of the Risk Management Framework to the Consumer Product Safety Risk Management System. Overall, we found there were several inconsistencies and weaknesses in the security certification and assessment of this database. There were eight consolidated recommendations made with this report and five remain open.

Cybersecurity Information Sharing Act of 2015 Review Report (CYBER)

Transmitted: August 4, 2016

For the full report and list of open recommendations click [here](#)

The objective of this review was to determine whether the CPSC had established the policies, procedures, and practices required by the Cybersecurity Act of 2015 for agency systems that contain Personally Identifiable Information. We found the CPSC had not achieved a number of the requirements set forth in the Cybersecurity Act of 2015 or developed appropriate logical access policies and procedures. There were five consolidated recommendations made with this report and all five remain open.

Audit of the Telework Program for Fiscal Year 2016 (TELEWORK)

Transmitted: September 29, 2017

For the full report and list of open recommendations click [here](#)

The objectives of this audit were to determine if the CPSC had an effective program in place to capitalize on the benefits of telework, established adequate internal controls over telework, and administered the telework program in accordance with federal laws, regulations, guidance, and agency policy. Overall, we found that the agency had a policy; however, it was not entirely effective and did not fully comply with federal laws, regulations, and guidance. There were nine recommendations made with this report and five remain open.



Audit of the Occupant Emergency Program for Fiscal Year 2017 (OEP)

Transmitted: June 7, 2018

For the full report and list of open recommendations click [here](#)

The objectives of this audit were to determine program effectiveness and compliance with the *Occupant Emergency Program: An Interagency Security Committee Guide* and other criteria. Overall, we found that the CPSC's Occupant Emergency Program was not compliant with government-wide guidance and was not operating effectively. There were 12 recommendations made with this report and 6 remain open.

Audit of the CPSC'S Directives System (DIRECTIVES)

Transmitted: March 21, 2019

For the full report and list of open recommendations click [here](#)

The objectives of this audit were to determine whether the CPSC's policies and procedures for the Directives System complied with federal regulations and procedures and were effective in helping agency staff meet the CPSC's mission. Overall, we found that the CPSC's Directives System was not fully compliant with government-wide requirements, its own policies, or fully effective in helping staff to meet the CPSC's mission. There were two recommendations made with this report and one remains open.

Review of Personal Property Management System and Practices for the Calendar Year 2017 (PROPERTY)

Transmitted: May 31, 2019

For the full report and list of open recommendations click [here](#)

The objective of this audit, conducted by Kearney & Company (Kearney), was to obtain an independent review of the controls over personal property items from initial data entry through routine accounting control to disposal. Overall, Kearney found that the CPSC's Personal Property Management System and practices were neither compliant with government-wide guidance nor operating effectively. There were 25 recommendations made with this report and 15 remain open.

Report on the Penetration and Vulnerability Assessment of CPSC's Information Technology Systems (PENTEST)

Transmitted: June 11, 2019

For the full report and list of open recommendations click [here](#)

The objective of this penetration test, conducted by Defense Point Security, was to assess the security of the CPSC's information technology infrastructure by safely attempting to exploit security vulnerabilities. Overall, Defense Point Security found that the CPSC had not designed its



information technology infrastructure to be compliant with government-wide guidance and that its information technology infrastructure was not adequately secure. There were 40 recommendations made with this report and 7 remain open.

Report of Investigation Regarding the 2019 Clearinghouse Data Breach (BREACH)

Transmitted: September 25, 2020

For the full report and list of open recommendations click [here](#)

The OIG was asked to investigate a data breach involving the CPSC's Clearinghouse. We found a near total lack of: supervisory review, documented policies and procedures, and training for non-supervisory and first level supervisory employees carrying out Clearinghouse duties. There were 40 recommendations made with this report and 27 remain open.

Audit of the CPSC's Office of Communications Management's Strategic Goals (OCM)

Transmitted: February 19, 2021

For the full report and list of open recommendations click [here](#)

The OIG audited the CPSC's Office of Communications Management's (OCM) strategic goals for FYs 2018 and 2019. The OIG determined that OCM met or exceeded their targeted number of communications to the public. However, we identified several areas where OCM's internal controls over its performance reporting could be improved, particularly in the area of tracking communication quality and effectiveness. There were 11 recommendations made with this report and 1 remains open.

Evaluation of the CPSC's Implementation of the Federal Data Strategy (FDS)

Transmitted: April 16, 2021

For the full report and list of open recommendations click [here](#)

The objective of this review, conducted by Williams Adley, was to obtain an independent evaluation of the CPSC's implementation of the OMB M-19-18, *Federal Data Strategy - A Framework for Consistency*, and associated OMB-issued action plans. Williams Adley found that the CPSC completed the required agency actions described in the most recent action plan published by OMB. There were four recommendations made with this report and all four remain open.

Review of the CPSC's Equal Employment Opportunity Program (EEO)

Transmitted: April 27, 2021

For the full report and list of open recommendations click [here](#)

The OIG contracted with GKA, P.C., to perform an independent review of the CPSC's Equal Employment Opportunity (EEO) program. The objectives of this review were to determine



whether the EEO program complied with all statutory requirements and to assess the accuracy, completeness, and reliability of the information EEO reported to the U.S. Equal Employment Opportunity Commission. There were four recommendations made with this report and all four remain open.

Audit of the CPSC's Position Designation and Suitability Program (PD)

Transmitted: April 29, 2021

For the full report and list of open recommendations click [here](#)

The objectives of this audit were to determine whether all positions in the CPSC were appropriately designated and whether all CPSC employees and contractors have the appropriate background investigation completed. The OIG identified \$49,631 in questioned costs.¹ There were 13 recommendations made with this report and 11² remain open. The agency did not concur with one recommendation.

Audit of the CPSC's Implementation of FMFIA for FYs 2018 and 2019 (FMFIA)

Transmitted: May 12, 2021

For the full report and list of open recommendations click [here](#)

The OIG contracted with Kearney to perform an audit of the CPSC's compliance in FYs 2018 and 2019 with the Federal Managers' Financial Integrity Act (FMFIA) and to evaluate the effectiveness of the CPSC's processes to assess internal control over program operations, as reported in the Chairman's Management Assurance Statement in the Agency Financial Report. Kearney determined that the CPSC did not comply with the FMFIA in FYs 2018 and 2019 and lacked a formal internal controls program. There were seven recommendations made with this report and all seven remain open.

Evaluation of the CPSC's FISMA Implementation for FY 2021 (FISMA 21)

Transmitted: October 29, 2021

For the full report and list of open recommendations click [here](#)

The objective of this review, conducted by Williams Adley, was to determine the effectiveness of the CPSC's information security program in accordance with the FY 2021 FISMA reporting requirements issued by the Department of Homeland Security and OMB M-21-02, *FY 2020-2021 Guidance on Federal Information Security and Privacy Management Requirements*. Williams

¹ Questioned costs are those costs that are questioned by the CPSC OIG because of an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; costs not supported by adequate documentation; or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

² One recommendation from this audit is no longer monitored due to agency nonconcurrency.

Adley found that the CPSC was not compliant with all of FISMA's requirements. However, the CPSC was making progress in implementing many FISMA requirements. There were 47 recommendations made with this report and 40 remain open.

NIST Cybersecurity Framework (NIST CSF)

Transmitted: January 18, 2022

For the full report and list of open recommendations click [here](#)

Williams Adley performed a review of the CPSC's implementation of the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). Williams Adley found that the CPSC had developed a high-level action plan for the NIST CSF in 2017, however, the CPSC had not implemented that plan. There were five recommendations made with this report and all five remain open.

Evaluation of the CPSC's FISMA Implementation for FY 2022 (FISMA 22)

Transmitted: July 22, 2022

For the full report and list of open recommendations click [here](#)

Williams Adley conducted an evaluation to determine the effectiveness of the CPSC's information security program in accordance with the FY 2022 FISMA reporting requirements. As a result of changes in OMB requirements, this year was the first under the new continuous monitoring model. Williams Adley found that the CPSC was not compliant with all of FISMA's requirements. There were 24 recommendations, 3 of which were new, made with this report.





For more information on this report please contact us at CPSC-OIG@cpsc.gov

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