



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



# **Semiannual Report to Congress**

October 1, 2024 to March 31, 2025

April 30, 2025

25-O-05

## Top Recommendations for the U.S. Consumer Product Safety Commission

1. Develop and implement an internal control system covering the operations of its programs. (FMFIA – 2021)
2. Develop and implement an Enterprise Risk Management program to allow agency officials to utilize risk management principles in the operations of the agency. (FISMA – 2021)
3. Establish recurring communication with the appropriate stakeholders to ensure necessary information is available for analysis. (FSA – 2024)
4. Identify the CPSC-specific skill and competency gaps and establish a process to close those gaps. (HCPA – 2023)
5. Perform an assessment of employee resources over financial management to include the training, competencies, and supervision of personnel. (FSA – 2024)
6. Review and update all human capital policies, e.g., Human Capital Operating Plan, Human Capital Policy, and Delegated Examining Policy, at least every five years. (HCPA – 2023)
7. Develop and establish a process to monitor the implementation of the IT modernization plan by documenting the objectives, goals, tasks, milestones, metrics, and funding sources associated with management's modernization efforts. (CLOUD – 2024)
8. Develop, document, and maintain a software inventory. (CYBER – 2016)
9. Assess the informational technology 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. (FISMA – 2021)
10. Ensure that management officials are aware of OIG recommendations that impact their areas of responsibility and actively work toward implementing said recommendations. (BREACH – 2020)



## 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) 2025.

My professional and dedicated staff continue to do the work necessary to fight fraud, waste, abuse, and mismanagement at the CPSC while continuing to make findings and recommendations to aid the agency in achieving its mission despite being short-staffed. Given the current fiscal environment, it is my expectation that this will remain true for the foreseeable future. If this office had the budgetary independence called for in the Inspector General Act, we would have an earmark in the CPSC's budget. This would allow us to better determine how to best leverage our remaining resources while making any necessary reductions in spending. Last year, we submitted our second independent budget request. It is my belief that if we received an explicit earmark in the CPSC's budget it would both increase our efficiency of operations and promote our independence.

On a more positive note, CPSC management took decisive action to ensure that the agency received a clean Financial Statement Audit (FSA) opinion in FY 2024. The agency was unable to implement corrective actions to address the underlying problems with their organic financial management, which led to them receiving a qualified audit opinion the FY 2023 FSA. However, their decision to invest substantial resources into contracting for financial management and audit remediation support paid dividends in FY 2024. It remains to be seen if, given the current fiscal environment, the agency will be able to assign the same level of contracting support to its financial management program this year.

As detailed in the administrative investigation and Management Alert issued this reporting period, despite recent improvements in internal controls across the agency, the agency continues to face challenges related to compliance with laws and regulations of general application across the government. These challenges appear to be related to the agency's long history of issues with developing adequate internal controls over its own operations rather than any malice of forethought by agency staff or lack of effort by current management, who have taken prompt corrective actions.

For example, we determined that the CPSC lacked adequate policies and procedures to implement its prescreen waiver determination process (a pre-employment risk assessment of whether a person selected for a position is likely to pass the full suitability determination investigation to become a federal employee or contractor). As a result, the CPSC: provided inaccurate information to most applicants in its tentative offer of employment letters; did not provide its staff adequate supervision and training to allow them to successfully carry out the prescreen waiver determination process; and did not adequately document the basis for its determinations regarding applicants' failures to pass the prescreen waiver process. Similarly, another assessment found issues related to compliance with the Americans with Disabilities Act and several General Services Administration and Office of Personnel Management regulations related to the operation of the CPSC's fitness centers.

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

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### 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 of 2020, the Safe Sleep for Babies Act of 2021, the Nicholas and Zachary Burt Memorial Carbon Monoxide Poisoning Prevention Act of 2022, Reese's Law (Pub. L. No. 117-171), the imitation firearms provisions of Public Law Nos. 100-615 and 117-167, and the Stop Tip-overs of Unstable, Risky Dressers on Youth requirements of Public Law No. 117-328 (Division BB, Title II).

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 laws listed above. The CPSC has jurisdiction over thousands of types of consumer products used in and around homes, schools, and other settings. The CPSC exercises its powers through regulation, assessing hazards to consumers, identifying hazardous products for enforcement action, and effective recalls including post recall compliance.

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 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.

The OIG is a powerful resource for rooting out waste, fraud, abuse, and mismanagement, enforcing laws within the CPSC, and for promoting positive change. We accomplish these responsibilities by conducting audits, reviews, and investigations; keeping the agency head and Congress informed about problems and deficiencies at the CPSC. We issue accurate reports based on professional audit, investigative, and other standards. We review agency and program participants' compliance with laws and regulations, review the effectiveness of agency programs, and evaluate the agency's efforts to mitigate fraud risks. We perform independent investigations of allegations of fraud, waste, abuse, and mismanagement and we publish reports that inform the public of the results of our assessments.

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 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 the American people.



## Top Management and Performance Challenges Facing the CPSC for FY 2025

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1. Enterprise Risk Management
2. Resource Management
3. Information Technology Security

The top three management challenges facing the CPSC in fiscal year (FY) 2025 reflect that, despite the CPSC having made marked improvements in several areas related to these management challenges, the most serious management and performance challenges remain similar to prior years. Our Top Management and Performance Challenges report can be found [here](#).

We have recently revised our Top Ten Recommendations for the agency to reflect recent closures by the CPSC and other more recent recommendations.

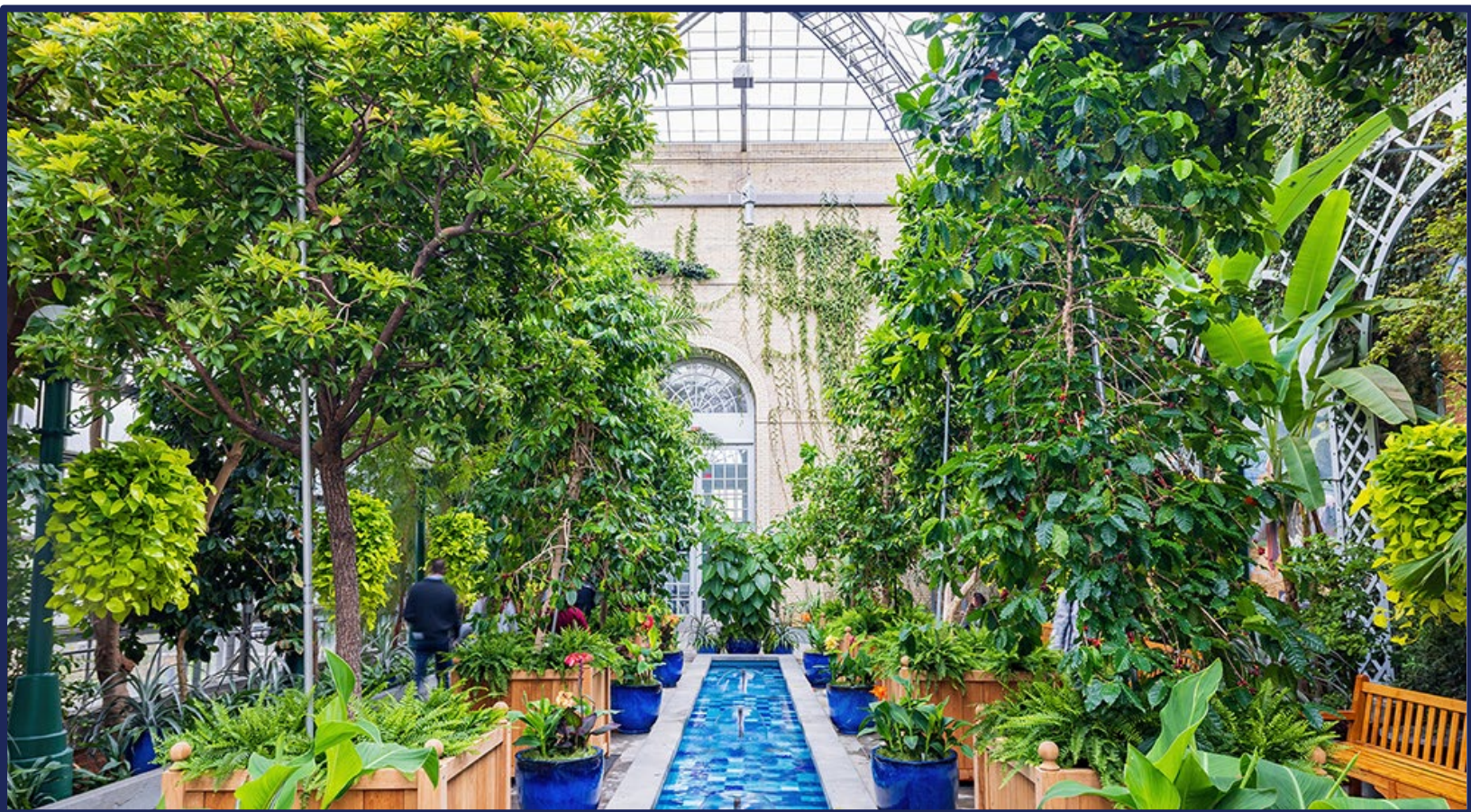


## Ongoing Projects

As of the date of this report, the OIG has four ongoing audit or evaluation projects. The one targeted audit in process is to determine if the CPSC has effective controls over the utilization of its leased space and is complying with relevant laws and regulations. This audit is being performed by CPSC OIG staff.

The OIG uses contractors for the statutorily required annual audits. These include the financial statement audit, Federal Information Security Modernization Act (FISMA) audit, and Payment Integrity Information Act (PIIA) evaluation. The three contracted engagements address government-wide requirements for which there are a large number of competent contractors available to perform the work. As a result of contracting these 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.

The CPSC OIG recently terminated two discretionary audits. We terminated an audit of import surveillance activity due to a lack of resources. We closed an audit of lab accreditation because the U.S. Government Accountability Office (GAO) opened a larger scale audit of the topic upon Congressional request. We shared information with GAO to facilitate their work.



## AUDIT PROGRAM

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During this semiannual period, the OIG completed one audit.

### **Audit of the Consumer Product Safety Commission Financial Statements FY 24**

Transmitted: November 14, 2024

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

The OIG contracted with KPMG LLP (KPMG), an independent public accounting firm, to perform an independent audit of the CPSC's financial statements according to all current standards for the period ending September 30, 2024. The objective of this audit was to determine whether the CPSC's financial statements present fairly the financial position of the agency and were compliant 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 for smaller agencies, including the CPSC. This audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS).



## 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. 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, 2024, through March 31, 2025.

Investigation Status	Count
Open as of October 1, 2024	6
Opened during reporting period	41
Closed during reporting period	21
Transferred to other Departments/Agencies	20
Investigative Reports issued	1
Referred to Department of Justice for criminal prosecution	0
Referred to State/Local criminal prosecution	0
Total Indictments/Information from prior referrals	0
Open as of March 31, 2025	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.



The recently enacted Administrative False Claims Act created a new reporting requirement for OIGs to provide information relating to Administrative False Claims Act cases.

Administrative False Claims Act	Count
Claims submitted to reviewer by investigating official	0
Reviewer actions taken in response:	
Pending cases	NA
Resolved cases	NA
Decisions appealed to U.S. District Court	NA
Reviewer declined to take action	NA
Average length of time to review a case	NA

## Investigative Reports Issued This Reporting Period

### Report of Investigation Regarding the Prescreen Waiver Determination Process

Transmitted: March 31, 2025

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

We received a hotline complaint in April 2024 from an individual asking the OIG to investigate why their tentative offer of employment with the CPSC, made to them after their successful completion of the competitive hiring process, was withdrawn. Based on what we learned during our initial investigation, we broadened our investigation to include a review of the CPSC's compliance with laws and regulations regarding the prescreen waiver determination process from July 2021 to June 2024. We determined that the CPSC lacked adequate policies and procedures to implement its prescreen waiver determination process. As a result, the CPSC: provided inaccurate information to most applicants in its tentative offer of employment letters; did not provide its staff adequate supervision and training to allow them to successfully carry out the prescreen waiver determination process; and did not adequately document the basis for its determinations regarding applicants' failures to pass the prescreen waiver process.



## OTHER ACTIVITIES

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### 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  
CARES Act  
Civil Rights Act of 1964  
Consolidated Appropriations Act 2021 and 2022  
Consumer Product Safety Act  
Consumer Product Safety Commission Regulations  
Consumer Product Safety Improvement Act of 2008  
Economy Act  
Ethics Regulations  
Equal Employment Opportunity Act  
Executive Order 13932  
Federal Acquisition Regulations  
Federal Civil Penalties Inflation Adjustment Act  
Federal Travel Regulations  
Freedom of Information Act  
General Services Administration Leasing Regulations  
General Services Administration Personal Property Regulations  
Government in the Sunshine Act  
Hatch Act  
Identity Theft and Assumption Deterrence Act  
Information Quality Act  
Inspector General Act of 1978, as amended  
National Defense Authorization Act for Fiscal Year 2023  
Office of Management and Budget (OMB) Circulars and Memoranda  
Office of Personnel Management Classification Standards  
Peer Review Guides  
Privacy Program  
Prohibited Personnel Practices  
Public Buildings Act of 1959  
Public Disclosure of Information, 15 U.S.C. 2055  
Quality Standards for Inspection and Evaluation



Records Management Policies and Regulations  
Standards of Conduct for Government Employees  
Trafficking Victims Prevention and Protection Reauthorization Act of 2022  
Use of Government Funds for Group Memberships  
Whistleblower Protection Enhancement Act

## **Management Alerts**

### **Management Alert 25-M-01**

Transmitted: November 8, 2024

For the full report click [here](#)

The American with Disabilities Act as well as several General Services Administration and Office of Personnel Management regulations require the CPSC to meet certain standards for their agency-operated fitness facilities. The CPSC was not compliant with multiple requirements for operating fitness centers. The CPSC failed to limit use to federal employees who had completed pre-activity screenings and signed an informed consent and waiver of liability. Further, the CPSC did not provide orientation and safety briefings for users. Finally, one of the facilities did not meet Americans with Disability Act requirements. The CPSC has acted to remedy these non-compliance issues going forward.



## **OIG Coordination**

### **Council of the Inspectors General on Integrity and Efficiency**

The Inspector General maintains active membership in Council of the Inspectors General on Integrity and Efficiency (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 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 previously completed work under both GAGAS and CIGIE Quality Standards for Inspections and Evaluation (QSIE). Each standard-setting body requires an 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 March 31, 2025, the CPSC OIG completed a peer review of the United States International Trade Commission. 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 QSIE standards addressed in the external peer review." Inspection and Evaluation Organizations can receive a rating of "generally complied" or "did not generally comply" with QSIE standards. We received a rating of "generally complied" with applicable standards. This peer review is available on our website [here](#).

On July 14, 2023, the CPSC OIG completed a peer review of the Office of the Special Inspector General for the Troubled Asset Relief Program's Inspection and Evaluation organization. They received a peer review rating of "generally complied" with applicable standards.



## 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.	10-11
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.	6, 17-24
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.	17-24
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.	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.	12
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.	12
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	
CCIG	Council of Counsels to the Inspectors General
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CPSA	Consumer Product Safety Act
CPSC or Commission	U. S. Consumer Product Safety Commission
CPSIA	Consumer Product Safety Improvement Act of 2008
FISMA	Federal Information Security Modernization Act
FMFIA	Federal Managers' Financial Integrity Act
FY	Fiscal Year
GAGAS	Generally Accepted Government Auditing Standards
GAO	U. S. Government Accountability Office
IG Act	The Inspector General Act of 1978, as amended
Kearney	Kearney & Company
KPMG	KPMG, LLP
M	Memorandum
NIST CSF	National Institute of Standards and Technology Cybersecurity Framework
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIIA	Payment Integrity Information Act
QSIE	Quality Standards for Inspection and Evaluation
Williams Adley	Williams, Adley & Company-DC, LLP



## APPENDIX C: STATUS OF RECOMMENDATIONS

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During the same period, we found that the agency had successfully closed 23 recommendations including some submitted during the previous SAR period. The OIG administratively closed seven additional recommendations. To offset both our staffing shortfall and our current lack of an IT auditor, we retained the services of a contractor to review requests for closure of information technology/security-related recommendations. The contractor completed a review of additional requests for closure the most recent semiannual reporting period. FISMA recommendation closure requests will be addressed as part of the annual audit process. The other information technology/security related recommendations will be addressed later this year.

### **The Good Accounting Obligation in Government Act**

The Good Accounting Obligation in Government Act, enacted in 2019, requires agencies to provide, along 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 January 30, 2024, the most recent published submission, does not include the required explanation of the reasons why no final action was taken regarding unimplemented recommendations.



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, 2024	Open as of October 1, 2024	Closed during the period	Open as of March 31, 2025	Total Days Past Due as of March 31, 2025
RMS	6/5/2012	8	3	5	3	2	4502
CYBER	8/4/2016	5	1	4	0	4	2981
TELEWORK	9/29/2017	9	8	1	0	1	2560
OEP	6/7/2018	12	6	6	0	6	2309
PROPERTY	5/31/2019	25	10	15	5	10	1951
PENTEST	6/11/2019	40	34	6	4	2	1940
BREACH	9/25/2020	40	33	7	4	3	1468
FDS	4/16/2021	4	0	4	0	4	1265
PD*	4/29/2021	13	1	12	0	12	1252
FMFIA	5/12/2021	7	0	7	1	6	1239
FISMA 21	10/29/2021	47	18	29	0	29	1069
NIST CSF	1/18/2022	5	0	5	0	5	988
FISMA 22**	7/22/2022	4	0	4	0	4	803
HR ASSESSMENT*	3/30/2023	41	1	40	3	37	552
FISMA 23**	7/28/2023	14	5	9	0	9	432
Cloud	1/31/2024	6	1	5	0	5	245
FSA 23	2/2/2024	16	0	16	5	11	243
FISMA 24**	7/30/2024	3	0	3	0	3	64
PENTEST 22	12/13/2022	14	10	4	4	0	N/A
PIIA 23	5/9/2024	2	1	1	1	0	N/A
		<b>315</b>	<b>132</b>	<b>183</b>	<b>30</b>	<b>153</b>	

\*One recommendation from the PD audit and six recommendations from the HR Assessment are no longer monitored due to agency non-concurrence.

\*\*FISMA 22 has a total of 24 recommendations, 20 of which were carried over from prior years. FISMA 23 has a total of 44 recommendations, 30 of which are carried over from prior years. FISMA 24 has 35 recommendations, 32 from prior years and 3 new.



## **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. CPSIA requires the CPSC to implement a publicly accessible and searchable database of consumer product incident reports. The period of the review was December 2010 through February 2011. The work was performed in accordance with CIGIE QSIE. Overall, we found there were several inconsistencies and weaknesses in the security certification and assessment of this database.

### **Cybersecurity Information Sharing Act of 2015 (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. During this review, we also considered whether standards for logical access were appropriate. The OIG completed this work in accordance with CIGIE QSIE. 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.

### **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. The audit was performed in accordance with GAGAS. 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 agency policy.

### **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 OIG audited the CPSC's Occupant Emergency Program in place for FY 2017. The purpose of an Occupant Emergency Program is to reduce the threat of harm to personnel, property, and other assets within a federal facility in the event of an emergency. 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. The audit was performed in accordance with GAGAS. Overall, we found that the CPSC's Occupant Emergency Program was not compliant with government-wide guidance and was not operating effectively.

### **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 OIG contracted with Kearney & Company (Kearney) to perform an assessment of the CPSC's control over personal property. The objective was to obtain an independent review of the controls over personal property items, from initial data entry through routine accounting control to disposal. The review was performed in accordance with CIGIE QSIE. Overall, Kearney found that the CPSC's Personal Property Management System and practices were neither compliant with government-wide guidance nor operating effectively.

### **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 OIG contracted with Defense Point Security to perform a penetration and vulnerability assessment of the CPSC network. 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 CIGIE QSIE. 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.

### **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 determined that the scope of the data breach exceeded the CPSC's estimate in terms of both duration and quantity. The data breach was caused by a combination of mismanagement and incompetence. CPSC employees caused the data breach by inappropriately releasing confidential information. The CPSC's reliance on Clearinghouse management to assess the scope of the breach led to a minimization of the range of the data breach and adversely affected the CPSC's efforts to respond to the data breach. 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. These problems were compounded by management's lack of integrity regarding the dearth of properly designed and implemented internal controls. For years, agency management signed statements of assurance affirming that there were effective internal controls in place over the Clearinghouse, despite knowing this was not true.

### **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 OIG contracted with Williams, Adley & Company-DC, LLP (Williams Adley) to perform a review of the CPSC's implementation of the Federal Data Strategy. The objective of this review was to obtain an independent evaluation of the CPSC's implementation of the OMB Memorandum (M)-19-18, Federal Data Strategy - A Framework for Consistency, and associated OMB-issued action plans. The review was performed in accordance with CIGIE QSIE. Williams Adley found that the CPSC completed the required agency actions described in the most recent action plan published by OMB and provided recommendations to aid the CPSC in maturing its data management program.



### **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 OIG audited the CPSC position designation process. Each covered federal position is required to have a designation level (Tier 1 through Tier 5), depending on the sensitivity and risk level of the position. 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 audit was performed in accordance with GAGAS. The audit identified \$49,631 in questioned costs.

### **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). Kearney was also charged with evaluating 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. The review was performed in accordance with GAGAS. Kearney determined that the CPSC did not comply with the FMFIA in FYs 2018 and 2019. Specifically, a misalignment existed between how the CPSC identified programmatic or operational activities, how it measured the performance of these activities, and how it reported these activities. Additionally, although the CPSC implemented metrics to monitor the performance of its strategic goals and objectives, it did not establish and implement a formal internal controls program over its operations as required by the Government Accountability Office's, Standards for Internal Control in the Federal Government, and OMB Circular A-123, Management's Responsibility for Internal Control.

### **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 OIG contracted with Williams Adley to review the CPSC's compliance with the reporting requirements of FISMA in FY 2021. The objective of this review 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. The review was performed in accordance with CIGIE QSIE. Williams Adley found that the CPSC was not compliant with all of FISMA's requirements. However, the CPSC was making progress towards implementing many FISMA requirements.

### **NIST Cybersecurity Framework (CSF)**

Transmitted: January 18, 2022

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

The OIG contracted with Williams Adley to perform a review of the CPSC's implementation of the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). The objective of this requirement was to obtain an independent evaluation of the CPSC's implementation of the NIST CSF. The review was performed in accordance with CIGIE QSIE. 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.

### **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](#)

The OIG contracted with Williams Adley to review the CPSC's compliance with the reporting requirements of FISMA for FY 2022. The objective of this review was to determine the effectiveness of the CPSC's information security program in accordance with the FY 2022 FISMA reporting requirements, issued by the Department of Homeland Security and OMB M-22-05, Fiscal Year 2021-2022 Guidance of Federal Information Security and Privacy Management Requirements. As a result of changes in OMB requirements, this year was the first under the new continuous monitoring model. Williams Adley reviewed a subset of 20 "core" and 20 "non-core" metrics that were in scope for FY 2022. The review was performed in accordance with CIGIE QSIE. Williams Adley found that the CPSC was not compliant with all of FISMA's



requirements. However, the CPSC was making progress towards implementing many FISMA requirements.

### **Human Resources Assessment (HR ASSESSMENT)**

Transmitted: March 30, 2023

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

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

AE Strategies found that the CPSC's human capital program did not align with federal regulations and lacked 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 were over two decades old and were first identified in Office of Personnel Management 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.

### **Evaluation of the CPSC's FISMA implementation for FY 2023 (FISMA 23)**

Transmitted: July 28, 2023

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

The OIG contracted with Williams Adley to review the CPSC's compliance with the reporting requirements of FISMA for FY 2023. The objective of this review was to determine the effectiveness of the CPSC's information security program in accordance with the FY 2023 FISMA reporting requirements, issued by the Department of Homeland Security and OMB M-23-03, Fiscal Year 2023 Guidance of Federal Information Security and Privacy Management Requirements. As a result of recent changes in OMB requirements, this year was the second year under the new continuous monitoring model. Therefore, Williams Adley reviewed only the subset of 20 "core" and 20 "non-core" metrics that were in scope for FY 2023. The review was performed in accordance with CIGIE QSIE.



Williams Adley found that the CPSC was not compliant with all of FISMA's requirements. However, the CPSC was making progress towards implementing many FISMA requirements.

### **Evaluation of the CPSC's Management of Cloud Computing, Shared Services, & Third-Party Systems (CLOUD)**

Transmitted: January 31, 2024

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

The OIG contracted with Williams Adley to obtain an independent evaluation of the CPSC's Cloud Computing, Third-Party, and Shared Service management from a legal, internal control, and contractual perspective. The evaluation was performed in accordance with the CIGIE QSIE.

Williams Adley found that the CPSC utilizes cloud computing, shared services, and third-party systems to support its mission and operations. However, Williams Adley identified areas for improvement. As a result of the evaluation, Williams Adley made six recommendations to improve the CPSC's management of its cloud computing, third-party, and shared services providers.

### **Audit of the Consumer Product Safety Commission's Fiscal Year 2023 Financial Statements (FSA 23)**

Transmitted: February 2, 2024

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

The OIG contracted with KPMG, an independent public accounting firm, to perform an independent audit of the CPSC's financial statements according to all current standards for the period ending September 30, 2023. The objective of this audit was to determine whether the CPSC's financial statements present fairly the financial position of the agency and were compliant 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 for smaller agencies, including the CPSC. This audit was performed in accordance with GAGAS.

KPMG issued a qualified opinion of the financial statements due to the agency A) inappropriately calculating the accumulated depreciation and depreciation expense related to its



Property, Plant, and Equipment; and B) being unable to recalculate said accumulated depreciation and depreciation expense in a timely manner. Other than this matter, KPMG determined the financial statements present fairly the financial position of the agency and were compliant with relevant laws and regulations. In total, KPMG identified three material weaknesses and one significant deficiency of internal controls over financial reporting and made 16 recommendations to improve the CPSC's internal control system.

### **Evaluation of the CPSC's FISMA Implementation for FY 2024 (FISMA 24)**

Transmitted: July 30, 2024

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

The OIG contracted with Williams Adley to review the CPSC's compliance with the reporting requirements of the FISMA for FY 2024. The objective of this review was to determine the effectiveness of the CPSC's information security program in accordance with the FY 2024 FISMA reporting requirements, issued by the Department of Homeland Security and OMB M-24-04, Fiscal Year 2024 Guidance on Federal Information Security and Privacy Management Requirements. This was the third year under the new continuous monitoring model and Williams Adley reviewed only the subset of 37 metrics in scope for FY 2024. The review was performed in accordance with CIGIE QSIE.

Williams Adley found that the CPSC was not compliant with all of FISMA's requirements. However, the CPSC was making progress towards implementing many FISMA requirements. Williams Adley made 35 recommendations, 3 of which were new, to improve the CPSC's information security posture.





For more information on this report please contact us at [CPSC-OIG@cpsc.gov](mailto:CPSC-OIG@cpsc.gov)

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