



May 19, 2026

TO: Peter A. Feldman, Acting Chairman

FROM: Christopher W. Dentel, Inspector General

THE CPSC FAILED TO ADEQUATELY PROTECT NON-PUBLIC GOVERNMENT INFORMATION IN ITS AGENCY CLEARANCE APPLICATION

This management alert notifies you of an urgent issue that requires immediate attention and action. A Management Alert is an Office of Inspector General (OIG) independent assessment that provides timely and useful information to Consumer Product Safety Commission (CPSC) stakeholders. The CPSC did not have appropriate controls in place to properly limit the availability of non-public government information in its Agency Clearance application to users with a valid need-to-know. As a result, the agency violated the Office of Management and Budget's (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control* (A-123) and Circular No. A-130, *Managing Information as a Strategic Resource* (A-130); and the U.S. Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* (Green Book). Furthermore, the CPSC is at risk of its employees financially benefiting from this information in violation of the *Standards of Ethical Conduct For Employees of The Executive Branch*, 5 C.F.R. 2635.101(b)(3). We urge the CPSC to immediately rectify these issues.

Background

Federal law¹ requires the GAO to prescribe standards of internal control in the federal government, more commonly known as the Green Book. Per OMB's A-123, Green Book provides the internal control framework that federal agencies must use when designing, implementing, and operating an effective internal control system. Green Book requires management to limit access to resources and records to authorized individuals. Furthermore, OMB A-130 requires agencies to implement policies of least privilege at the application and data level so that users have access to only the information and resources that are necessary for a legitimate purpose.

Part of the CPSC's internal control system is the review of all information products for clearance before public disclosure. The agency accomplishes this task by utilizing an automated workflow system that it appropriately named the "Agency Clearance" application. This application has more than 100 users, which encompasses both individual employees and contractors, with representatives from every major office. The users of the system are not only able to view workflows they initiated or are assigned to; but are also able to view, add, update, and delete documents for all

¹ Federal Managers Financial Integrity Act of 1982

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workflows in the application. While prior versions of this automated workflow date back more than a decade, the current cloud-based version of the application debuted in February 2023.

Inappropriate Availability of Non-Public Government Information

The OIG reviewed the workflow history of the current application system and found the CPSC utilizes the Agency Clearance application for reviewing memos from the Office of Compliance (EXC) to the Commissioners which recommend the Commission accept civil penalties negotiated by CPSC staff for companies violating consumer product safety laws and regulations. EXC also utilizes the application for memos that recommend the Commissioners to refer violations of the Consumer Product Safety Act to the Department of Justice.

The aforementioned EXC memos contain non-public government information that could potentially be utilized for financial gain. The below table details the instances of advanced notice provided in CPSC-negotiated civil penalties during the time period:

Company	Days Available Before Public Release
Company A	12
Company B	11
Company C	20
Company D	20
Company E	19
Company F	10
Company G	10
Company H	12

Source: OIG summary of CPSC data.

Not all users of the system have a valid need-to-know for this information. Furthermore, in one case, three users of the Agency Clearance application had access to this information despite being recused from the matter, with one of the three recused users receiving a request to review the press release one week in advance of publication. This lack of compliance with Green Book and OMB requirements significantly raises the risk that application users may engage in financial transactions using non-public government information in violation of 5 CFR 2635.101(b)(3).

Conclusion

The CPSC’s lack of adequate controls over its Agency Clearance application has allowed application users inappropriate access to non-public government information without a valid need-to-know. These poor controls raised significant ethical concerns

and could damage the public's trust in the agency. Since the initiation of this assessment, the CPSC has taken steps to strengthen its internal controls over the Agency Clearance application to restrict access of non-public government information to users with a valid need-to-know. We urge the CPSC to apply the improvements in internal controls made for this application to other CPSC applications that contain non-public government information.

APPENDIX A. Objective, Scope, and Methodology

A.1 Objective & Scope

The objective of this Management Alert is to immediately notify the CPSC of an area of non-compliance that requires urgent attention. Specifically, the CPSC is not in compliance with:

- Administrative Personnel, 5 C.F.R. § 2635
- GAO's *Standards for Internal Control in the Federal Government*
- OMB's No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*
- OMB's Circular No. A-130, *Managing Information as a Strategic Resource*

We gathered information for this matter during March 2026.

A.2 Methodology


We performed the work on this matter during March 2026 and conducted this Management Alert in accordance with the CPSC OIG *Standard Operating Procedure - 012: Management Alerts* and not generally accepted audit standards. This standard requires that we obtain sufficient evidence to provide a reasonable basis for our conclusions. We reviewed:

- applicable governmentwide criteria documents
- CPSC policy documents
- List of Agency Clearance application system users as well as their associated permissions levels
- workflow history of the Agency Clearance application system
- public announcement of CPSC enforcement actions

We are issuing this management alert under the authority conferred by the Inspector General Act of 1978, as amended, Section 2(2), "to promote economy, efficiency, and effectiveness in the administration of, and . . . to prevent and detect fraud and abuse in, [CPSC] programs and operations."²

² See 5 U.S.C. § 402(b)(2).

APPENDIX B. Management Response

 Outlook

Re: Draft Clearance Management Alert

From Ray, DeWane [REDACTED]

Date Fri 5/15/2026 5:51 AM

To Dentel, Christopher [REDACTED]

Cc [REDACTED]

Chris,

Please find management's response below:

Management concurs with the Inspector General's conclusion that access to non-public government information within the Agency Clearance application should be limited to users with a valid need to know, and that a lack of controls on access could raise potential privacy and ethics concerns. We further appreciate the Inspector General's acknowledgement of the steps management has subsequently taken to strengthen internal controls by limiting access to non-public government information within the Agency Clearance application to users with a valid need to know. In addition to strengthened internal controls, we continue to provide all staff with annual privacy and ethics training to make them aware of their legal obligations under the Privacy Act, E-Government Act, Ethics in Government Act, and related privacy and ethics laws, regulations, and guidance. We remain committed to ensuring that appropriate safeguards are in place and to applying these improvements consistently across all CPSC systems that contain non-public government information.