



United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

April 19, 2011

Cheryl Falvey
General Counsel
Consumer Product Safety Commission
4330 East West Highway
Room 523
Bethesda, MD 20814

Dear Ms. Falvey:

The United States Office of Government Ethics (OGE) recently conducted an on-site follow-up review of the ethics program at the Consumer Product Safety Commission (CPSC) to determine whether the four improvements recommended in our August 2010 report have been achieved.

OGE recommended that CPSC's ethics office strengthen the financial disclosure system by working with the Human Resources (HR) office to develop an effective system of timely notifying new entrants of their filing requirement, devising mechanisms to ensure timely filing of public financial disclosure reports, and assessing or waiving the late filing fee for public filers who submit reports more than 30 days late. Based on follow-up with you and your staff, OGE understands that through collaboration with the HR office, the ethics office now receives a report of new employees every Wednesday via email from the HR Director. Further, the Alternate Designated Agency Ethics Official (ADAEO) has been added to the list of automatic email recipients to be notified when new employee actions are requested (for example, emails requesting computer setup for a new employee). This action in turn has helped the ethics office to timely notify filers of the requirement to either file an OGE 450 or OGE 278 form. The ADAEO noted that since the inception of these new systems, all notifications were timely and all forms have been timely submitted. OGE independently verified whether the actions taken to address this recommendation affected the timely submission of public and confidential financial disclosure reports. We determined that new entrant confidential reports and new entrant and termination public reports filed since the review report was issued on August 3, 2010, were submitted by filers in a timely manner. It is our understanding that you will remain diligent to either assess or waive the late filing fee for public filers who submit their reports more than 30 days late.

OGE recommended that CPSC's ethics office provide oversight regarding the content, delivery, and tracking of receipt of initial ethics orientation (IEO) to ensure that it fully meets the regulatory requirements. Based on follow-up with you and your staff, OGE understands that as a part of the orientation of new employees held on the first Monday of each new pay period, the ethics office now conducts IEO and utilizes a sign-in sheet to track attendance.

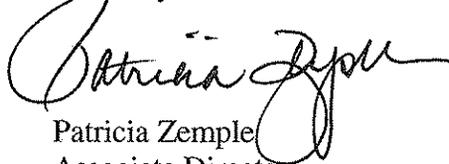
OGE recommended that CPSC cease use of FOIA as the criteria for determining release of public financial reports, but rather refer to the requirements of the Ethics in Government Act and its implementing regulations. As verified by OGE, CPSC's ethics office has implemented this recommendation by revising Directive 0680.3 (entitled *Ethics Program – Public and Confidential Financial Disclosure Reporting*) to require use of OGE Form 201 for all requests for release of public financial disclosure reports.

Finally, OGE recommended that CPSC revise written procedures to reflect that the Designated Agency Ethics Official (DAEO) has the authority to waive the public financial disclosure late filing fee, to include the OGE Form 450-A process, and to include the current practice of requiring Commissioners to seek advice from the General Counsel for the acceptance of gifts and travel expenses. OGE verified that CPSC's ethics office revised Directive 0680.3 to reflect that the DAEO has authority to waive the late filing fee. Additionally, the directive now states that the use of the optional Form 450-A is acceptable if a filer can certify that he/she has no new interests and has not changed his/her position at CPSC since filing their previous report.

As a part of the last recommendation, OGE recommended that CPSC include in its written procedures the practice of requiring Commissioners to seek advice from the General Counsel and approval from the Executive Director for the acceptance of gifts and travel expenses from non-Federal sources. Prior written procedures granted Commissioners the authority to approve gifts and travel expenses for themselves and their immediate staff; however, Commissioners often sought approval from the Executive Director. In response to our recommendation, CPSC's ethics office revised Directive 0680.2 (entitled *Acceptance of Gifts and Travel Expenses from Non-Federal Sources*) to require that Commissioners seek written legal approval from the General Counsel prior to the acceptance of gifts and travel expenses from non-Federal sources for themselves and their immediate staff members. Revision of the directive to include the required written legal approval helps to ensure that the step is consistently performed. OGE accepts this revision as implementation of its recommendation.

Based on our follow-up, we have determined that CPSC has adequately implemented all four of the recommendations in the August 2010 review report. As a result, OGE has closed the recommendations. Thank you for your assistance during the follow-up process. Please contact me at 202-482-9286 if you require any additional information.

Sincerely,



Patricia Zemple
Associate Director