



UNITED STATES  
CONSUMER PRODUCT SAFETY COMMISSION  
4330 EAST WEST HIGHWAY  
BETHESDA, MD 20814

CHAIRMAN ELLIOT F. KAYE

October 24, 2014

Gene Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
Room 7165  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Dodaro:

This letter is to report that from approximately January 1, 1996<sup>1</sup>, to September 25, 2013, the Consumer Product Safety Commission ("CPSC"), without legal authority, used appropriated funds to pay for residential telephone and Internet service for certain employees in violation of the Antideficiency Act (ADA), 31 U.S.C. § 1341.

The expenditures were made under the CPSC's telework program and were designed to allow "Full-Time Telework" employees to work from home offices spread across the country and thus to allow the agency to have a geographic presence without the costs of providing regional or field offices. The expenditures did not meet the requirements of the applicable appropriations statute, § 620 of the Treasury, Postal Service, and General Government Appropriations Act, 1996 (P.L. 104-52) which carved out a specific exception and conditions for an otherwise prohibited use of appropriated funds. CPSC also violated a separate statute, 31 U.S.C. § 1348, which deals with the use of appropriated funds to pay for telephones in private residences.

When the CPSC began reimbursing employees for residential telephone and Internet service, the management officials responsible believed that they were operating under the authority of § 620 of P.L. 104-52, which in certain circumstances authorizes the use of appropriated funds to pay for telephone and Internet services associated with teleworkers. However, the CPSC Office of Inspector General identified a number of areas in which the agency was not in compliance with § 620 of P.L. 104-52<sup>2</sup>.

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<sup>1</sup> The lack of documentation regarding the program in question prevents the determination of definitive starting date, but the statute in question became effective on October 1, 1995, and CPSC employees have indicated that telephone and Internet Service reimbursements have been made since "the telecommuting program began in 1996."

<sup>2</sup> These included a lack of adequate safeguards against private misuse and a failure by the agency to obtain a certification from the appropriate agency official that adequate safeguards did exist.

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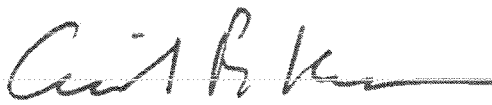
Due to its failure to comply with § 620 of P.L. 104-52, the CPSC lacked legal authority to use the funds in question in the manner in which they were expended. The agency no longer has adequate records to allow for a determination of the full extent and size of the ADA violation. For a variety of reasons, including maintenance of only seven years of historical financial records and a change in financial management systems, relevant records were not available regarding transactions that occurred before fiscal year 2007. However, based on the records that are available, since October 1, 2006, over \$1,208,424 dollars in appropriated funds were expended without legal authority. These funds were expended from the CPSC's Salaries and Expenses account (Treasury Symbol 061X0100).

The lack of documentation and the amount of time that has passed since the program's inception make it impossible to determine the individual or individuals responsible for this violation. The CPSC employees that proposed and approved the payment of full-time teleworkers' Internet and telephone expenses in 1996 left the employment of the CPSC long before this violation of fiscal law was discovered. Despite the violation's lengthy and continuous nature, there is no evidence that it was knowing or willful.

The CPSC took corrective action by instituting new internal controls over the reimbursement program and taking other steps to ensure that the agency now is in compliance with § 620 of P.L. 104-52. Furthermore, the agency received a clean audit opinion in fiscal year 2013.

Identical reports also are being submitted to the President, the President of the Senate, and the Speaker of the House of Representatives.

Sincerely,



Elliot F. Kaye

Enclosures:  
Inspector General's Investigative Report