



# U. S. Consumer Product Safety Commission



## Fiscal Year 2015 Summary of Performance and Financial Information

February 16, 2016



## WHO WE ARE AND WHAT WE DO

The U.S. Consumer Product Safety Commission (CPSC) 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 also administers other laws, such as the Federal Hazardous Substances Act, the Flammable Fabrics Act, the Poison Prevention Packaging Act, the Refrigerator Safety Act, the Virginia Graeme Baker Pool and Spa Safety Act, and the Children's Gasoline Burn Prevention Act.

The CPSC has jurisdiction over thousands of types of consumer products used in and around the home, in recreation, and in schools, from children's toys to portable gas generators and toasters. Although the CPSC's regulatory purview is quite broad, a number of product categories fall outside the CPSC's jurisdiction. \*

The CPSC is a bipartisan commission consisting of five presidentially appointed Commissioners. The Commission convenes at meetings that are open to the public.

## OUR VISION

The CPSC is the recognized global leader in consumer product safety.

## OUR MISSION

Protecting the public against unreasonable risk of injury from consumer products through education, safety standards activities, regulation, and enforcement.

\* Product categories such as automobiles and boats; alcohol, tobacco, and firearms; foods, drugs, cosmetics, and medical devices; and pesticides, are regulated by other federal agencies.

## Introduction

The United States Consumer Product Safety Commission's (CPSC) Summary of Performance and Financial Information Report (SPFI) for Fiscal Year (FY) 2015 provides a summary of the most relevant performance and financial information to help the President, Congress, and the public assess our stewardship over the resources entrusted to us. The CPSC's FY 2015 Agency Financial Report (AFR), FY 2015 Annual Performance Report (APR), and FY 2015 Annual Operating Plan (AOP) contain more comprehensive information and analyses. (Reports can be accessed [here](#)).

## Funding and Performance

### Where our funding comes from

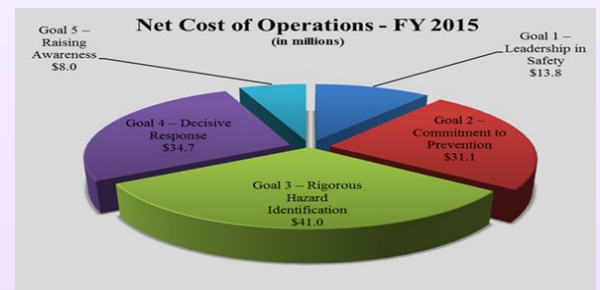
The CPSC's FY 2015 annual appropriation was \$123.0 million. Additional funds available in FY 2015 were \$1.0 million to implement the Virginia Graeme Baker Pool and Spa Safety Act (VGB Act) grant program, which is available until expended, \$3.0 million from offsetting collections for the CPSC data collection work that is done on a reimbursable basis with partner government agencies and \$9.1 million from prior-year unobligated appropriations.

The sum of all operating funds available for obligation in FY 2015 was \$126.0 million, a \$6.4 million increase relative to FY 2014. The difference from the prior year is mostly attributable to the increase in appropriations received to fund the CPSC's import surveillance activities.

### Where our funding goes

The graph shows the net cost for each of the five strategic goals in the CPSC's FY 2011-FY 2016 strategic plan. The CPSC's net cost of operations was \$128.6 million for the fiscal year ended September 30, 2015. This also includes costs that

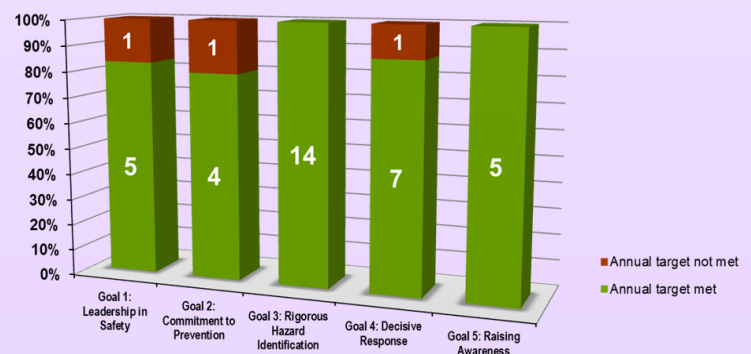
will be funded in future years and that are required to be recognized as part of the cost of operations; these include depreciation on property and equipment, imputed costs, and the impact of changes in actuarial estimates on workers compensation. Additional information is available [here](#).



### What we accomplished

During FY 2015, the CPSC tracked 38 performance measures. The CPSC met the performance targets for 35 performance measures (92 percent) and did not meet the performance targets for three performance measures (8 percent).

Overall, these results indicate progress toward achieving the CPSC's Strategic Goals.





## Strategic Goal 1: Leadership in Safety

Take a leadership role in identifying and addressing the most pressing consumer product safety priorities and mobilizing action.

### Strategic Objectives

- 1.1 Determine the most critical consumer product hazards and issues to define the Commission's annual priorities consistent with the agency's regulatory requirements.
- 1.2 Create and strengthen partnerships with stakeholders aimed at improving product safety throughout the supply chain.
- 1.3 Collaborate with partners ranging from state and federal authorities, colleges and universities, and other stakeholders to expand the CPSC's effectiveness and reach.
- 1.4 Work towards harmonizing global consumer product standards or developing similar mechanisms to enhance product safety.
- 1.5 Promote and recognize innovation and advancements in consumer product safety.
- 1.6 Attract, retain, and collaborate with leading experts to address consumer product hazards.

## Challenges

Expansion of international trade, increasingly global supply chains, and technological advances have increased the spectrum of consumer products available to U.S. consumers. This has made

the challenge more complex for the CPSC to oversee and regulate thousands of product types. Product safety can suffer in countries where domestic regulation is not effective and quality control systems are lacking. Led by the CPSC, regulatory agencies, standards organizations, and consumer and industry groups worldwide are working to address consumer product safety across multiple geographies and priorities. The CPSC is working to mitigate the most pressing product safety hazards by establishing a clearly defined leadership agenda and by working with key global and domestic stakeholders.



## Results

The CPSC met or exceeded FY 2015 targets for five key performance measures and did not meet the target for one key performance measure for Strategic Goal 1. Selected FY 2015 achievements include:

- provided product safety training and in-depth briefings to product safety officials and industries from 15 foreign jurisdictions;
- conducted international training exchanges with the consumer product safety authorities of Australia and South Korea; and
- participated in the Organization for Economic Cooperation and Development (OECD) *Working Party on Consumer Product Safety's* March 2015 consumer outreach project that conducted an international campaign to alert consumers about the dangers of laundry pod ingestion by children.

**Table 1 Strategic Goal 1 Key Performance Measures**

Performance Measure	Actuals / Trend line					2015 Target	
	2011	2012	2013	2014	2015	2015 Target	Target Met?
<b>1.2.1</b> Number of training or outreach seminars for foreign manufacturers conducted by the CPSC staff	3	8	12	34	10	6	✓
<b>1.2.2</b> Number of staff exchanges with foreign counterparts undertaken as part of the Extended Training Exchange Program	--	2	2	2	2	3	✗
<b>1.2.4</b> Number of collaborations undertaken with domestic nongovernment organizations such as trade associations, universities, or federations	--	--	--	--	2	2	✓
<b>1.6.1</b> Employee retention rate	84.9%	85.0%	84.7%	81%	87%	85%	✓
<b>1.6.2</b> Average hiring time (recruitment time using U.S. Office of Personnel Management's (OPM) End-to-End hiring process) (days)	75	75	73	78	74	80	✓
<b>1.6.3</b> Training participation rate	71.7%	73.6%	83.0%	93%	90%	88%	✓

## Strategic Goal 2: Commitment to Prevention

Engage public and private sector stakeholders to build safety into consumer products.

### Strategic Objectives

- 2.1 Minimize hazardous defects early in the manufacturing process through increased participation in voluntary standards activities.
- 2.2 Improve the safety of consumer products by issuing mandatory standards, where necessary and consistent with statutory authority, in response to identified product hazards.
- 2.3 Facilitate the development of safer products by training industry stakeholders on the CPSC's regulatory requirements and hazard identification best practices.
- 2.4 Develop programs that provide incentives for manufacturers and importers to implement preventive actions that enable the safety of their products.
- 2.5 Engage foreign product safety regulators and foreign manufacturers to reduce the production of unsafe consumer products that may enter the U.S. market.

## Challenges

Many consumer product hazards and safety defects arise in the very early stages of the supply chain, including product design and the selection and use of raw materials. Given the large volume and diversity of products under the jurisdiction of domestic and foreign regulatory agencies, enforcement activities alone are unlikely to succeed in completely preventing product hazards from occurring. Preventing hazards from entering the marketplace is one of the most effective ways the CPSC can protect consumers.



## Results

The CPSC met or exceeded FY 2015 targets for four key performance measures and did not meet the target for one key performance measure for Strategic Goal 2. Selected FY 2015 achievements include:

- completed six final CPSIA-related rules during FY 2015, which contributed to a cumulative total of 49 final CPSIA-related rules completed between the passage of CPSIA in 2008 and the end of FY 2015;
- participated in the U.S. government's National Nanotechnology Initiative ([Nano.gov](http://Nano.gov)), to sponsor research and data collection to identify releases of nanoparticles from selected consumer products to determine the potential health effects from exposure; and
- participated in 81 voluntary standard activities, collaborating with industry leaders, consumer advocates, and other stakeholders to improve *consensus voluntary standards* across a wide range of consumer products.

**Table 2 Strategic Goal 2 Key Performance Measures**

Performance Measure	Actuals / Trendline					2015 Target	
	2011	2012	2013	2014	2015	2015 Target	Target met?
<b>2.1.2</b> Number of collaborations established or maintained with other organizations to work on nanotechnology research or issues affecting consumer products	8	8	4	6	7	5	✓
<b>2.1.3</b> Number of reports produced on the results of collaboration on nanotechnology issues affecting consumer products	1	9	11	11	10	5	✓
<b>2.1.4</b> Number of voluntary standards activities that are actively participated in by CPSC staff	--	--	--	--	81*	81	✓
<b>2.2.1</b> Number of candidates for rulemaking prepared for Commission consideration	22	28	14	10	20**	20	✓
<b>2.3.1</b> Number of domestic training activities made available to industry stakeholders	--	--	14	23	7	11	✗

\* CPSC staff actively participated in 79 of the originally planned 81 voluntary standards, plus an additional two voluntary standards that emerged as priorities during FY 2015.

\*\* CPSC staff prepared, for Commission consideration, 14 of the original 20 planned candidates for rulemaking, plus an additional six other candidates for rulemaking.

## Strategic Goal 3: Rigorous Hazard Identification

Ensure timely and accurate detection of consumer product safety risks to inform agency priorities.

### Strategic Objectives

- 3.1 Improve the quality and comprehensive-ness of crucial product hazard data.
- 3.2 Reduce the time it takes to identify hazard trends by improving the collection and assessment of hazard data.
- 3.3 Establish a transparent, risk-based methodology to consistently identify and prioritize hazards to be addressed.
- 3.4 Expand import surveillance efforts to reduce entry of unsafe products at U.S. ports.
- 3.5 Scan the marketplace regularly to determine whether previously identified significant hazards exist in similar products.
- 3.6 Increase surveillance of used and resale consumer products to identify and remove recalled products and substantial product hazards.

## Challenges

The value of consumer product imports under CPSC jurisdiction grew from \$411 billion in 2002 to \$754 billion in 2015, an increase of 80 percent. The CPSC must determine quickly and accurately which product hazards represent the greatest risks to consumer safety.

The CPSC uses a systematic approach to enhance the quality of crucial product hazard data and reduce the time needed to identify trends. The agency's approach includes systematic collection and assessment of hazard data, scanning the marketplace regularly, expanding imports surveillance efforts, and increasing surveillance of used consumer products offered for resale.



## Results

The CPSC met or exceeded FY 2015 targets for all 14 key performance measures for Strategic Goal 3. Selected FY 2015 achievements include:

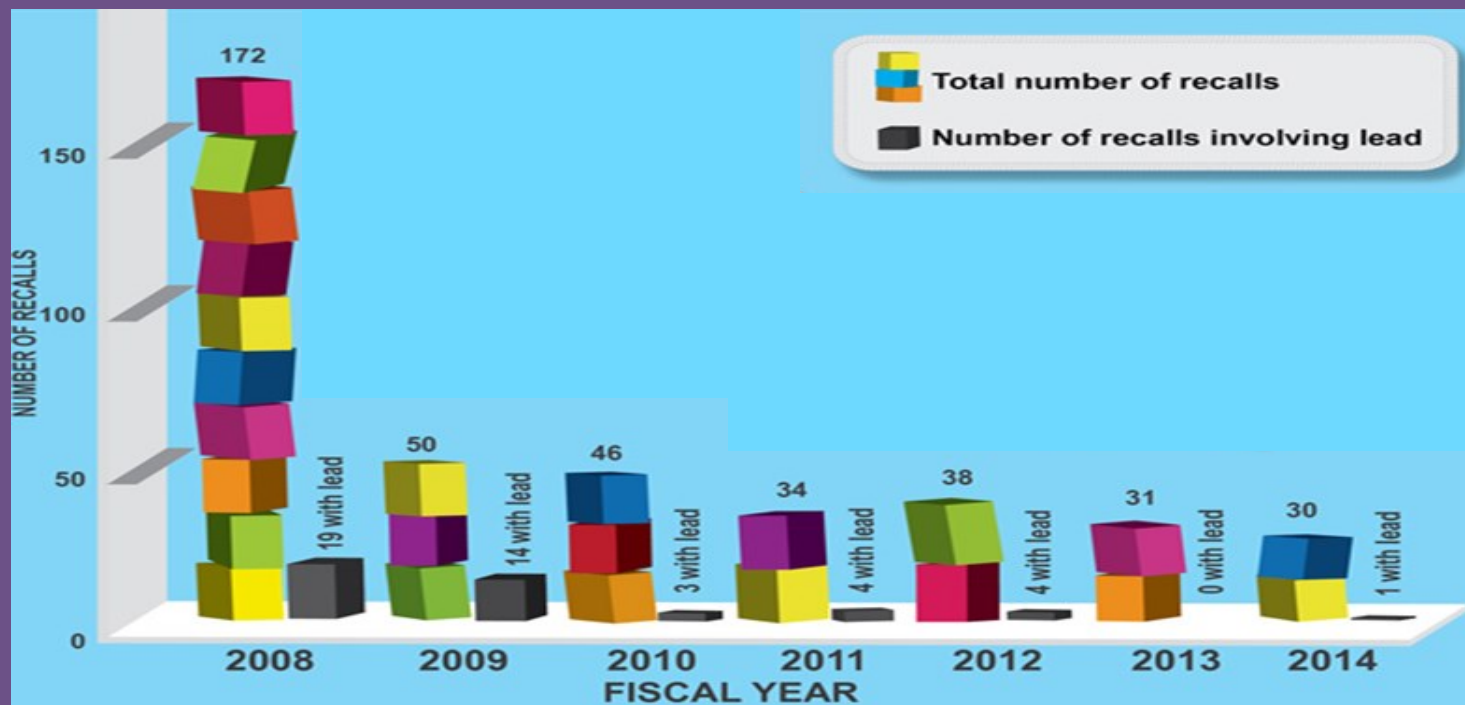
- screened more than 35,000 different imported consumer products at U.S. ports of entry;
- cleared 99.6 percent of import shipments within one business day;
- The CPSC's Internet Surveillance unit contacted approximately 9,495 firms and individuals who were offering for sale banned or previously recalled consumer products via Internet websites, halting many sales and keeping dangerous products out of the marketplace; and
- received nearly 67,000 calls to the CPSC Hotline, where consumers can contact the agency directly with product safety hazard information or concerns.

**Table 3 Strategic Goal 3 Key Performance Measures**

Performance Measure	Actuals / Trendline					2015 Target	
	2011	2012	2013	2014	2015	2015 Target	Target met?
<b>3.1.1</b> Percentage of National Electronic Injury Surveillance System (NEISS) member hospitals evaluated at least once a year	100%	98%	99%	100%	100%	98%	✓
<b>3.1.2</b> Percentage of consumer product-related injury cases correctly captured at NEISS hospitals	94%	92%	92%	91%	91.6%	90%	✓
<b>3.2.1</b> Time from incident received to integrated team adjudication of incident report (business days)	--	--	6.5	3.4	6.4	10	✓
<b>3.2.2</b> Percentage of priority import regulated samples (excluding fireworks) tested within 30 days of collection	--	85%	92%	98.8%	98.6%	85%	✓
<b>3.2.3</b> Percentage of priority import fireworks samples tested within 60 days of collection	92.0%	99.7%	100.0%	100%	98.6%	90%	✓

Table 3 Strategic Goal 3 Key Performance Measures cont'd.

Performance Measure	Actuals / Trendline					2015 Target	
	2011	2012	2013	2014	2015	2015 Target	Target met?
<b>3.2.4</b> Percentage of all regulated non-import product samples that are tested within 90 days of receipt at NPTEC	--	--	--	--	93.6%	Baseline	✓
<b>3.2.5</b> Percentage of Section 15 Product Safety Assessment requests that are completed within the Hazard Level Completion time assigned	--	--	--	--	92%	Baseline	✓
<b>3.4.1</b> Number of import examinations	9,923	18,131	26,523	28,007	35,122	25,000	✓
<b>3.4.3</b> Percentage of import shipments processed through the Risk Assessment Methodology (RAM) pilot system that are cleared within one business day	--	--	99.5%	99.7%	99.6%	99%	✓
<b>3.4.4</b> Percentage of the CPSC import entry hold requests acted on by U.S. Customs and Border Protection (CBP)	--	--	86%	87.2%	91.3%	86%	✓
<b>3.4.6</b> Percentage of first-time violators who are engaged with an informed compliance inspection within 30 days of violation determination	--	--	--	--	79%	Baseline	✓
<b>3.4.7</b> Percentage of entries sampled as identified through the Risk Assessment Methodology (RAM) pilot system	--	--	--	--	12.1%	Baseline	✓
<b>3.5.3</b> Number of hazard characterization annual reports completed on consumer product-related fatalities, injuries, and/or losses for specific hazards	14	11	11	10	10	10	✓
<b>3.5.4</b> Total number of products screened by the CPSC field staff (excluding imports)	--	--	--	--	211,364	200,000	✓



## Strategic Goal 4: Decisive Response

Use the CPSC's full range of authorities to quickly remove hazards from the marketplace.

### Strategic Objectives

- 4.1 Expand the CPSC's ability to conduct a full range of inspections to monitor for noncompliant and defective products.
- 4.2 Use a risk-based methodology to prioritize the CPSC's targeted response to addressable product hazards.
- 4.3 Increase the effectiveness and speed of recalls of noncompliant and defective products.
- 4.4 Reduce the time it takes to inform consumers and other stakeholders of newly identified hazards and the appropriate actions to take.
- 4.5 Hold violators accountable for hazardous consumer products on the market by utilizing enforcement authorities.

## Challenges

The longer a known hazardous consumer product remains on store shelves or in homes, the greater the potential for that consumer product to cause injuries and deaths. Once hazardous products have been identified, the CPSC takes action to protect consumers. The CPSC uses a multifaceted approach to address incidents and injuries, including field investigations and analyses, establishment inspections, product testing by scientists and engineers, and working with firms on product recalls when necessary.



## Results

The CPSC met or exceeded FY 2015 targets for seven key performance measures and did not meet the target for one key performance measure for Strategic Goal 4. Selected FY 2015 achievements include:

- completed nearly 3,840 establishment inspections of firms for compliance with the CPSC's laws and regulations;
- sent nearly 2,960 Notices of Non-Compliance and negotiated nearly 365 corrective action plans (CAPs) to address safety in consumer products;
- conducted nearly 415 recalls, involving approximately 68 million units; and
- negotiated nearly \$26 million in civil penalties through out-of-court settlements.

**Table 4 Strategic Goal 4 Key Performance Measures**

Performance Measure	Actuals / Trend line					2015 Target	
	2011	2012	2013	2014	2015	2015 Target	Target met?
<b>4.1.1</b> Number of establishment inspections conducted by the CPSC field staff	1,116	1,184	3,680	3,672	3,839	3,000	✓
<b>4.1.2</b> Percentage of products screened by the CPSC field staff resulting in violations	--	--	6.9%	6%	5.9%	6%	✓
<b>4.3.1</b> Percentage of all cases for which the preliminary determination is made within 85 business days of the case opening	--	--	84%	60.6%	65.8%	70%	✗
<b>4.3.2</b> Percentage of cases for which the corrective action is accepted within 60 business days of the preliminary determination	95%	98%	88%	80.9%	85.8%	80%	✓
<b>4.3.3</b> Percentage of cases in which the firm is notified of a violation in a timely manner	--	--	94%	97.1%	96.9%	90%	✓
<b>4.3.4</b> Percentage of Fast-Track cases with corrective actions initiated within 20 business days	95%	99%	98%	100%	97.3%	90%	✓
<b>4.4.2</b> Average number of business days between establishment of first draft and issuance of recall press release for the most timely 90 percent of all recall press releases	--	--	--	--	16	20	✓
<b>4.5.2</b> Percentage of compliance defect investigation cases referred within 20 business days to Office of the General Counsel (OGC) for review of firms' timely reporting pursuant to Section 15(b)	--	--	--	--	90%	75%	✓



## Strategic Goal 5: Raising Awareness

Promote a public understanding of product risks and CPSC capabilities.

### Strategic Objectives

- 5.1 Increase awareness of the CPSC to ensure the public knows where to turn for information on consumer product safety, where to report hazardous incidents, and knows about the enforcement capabilities used to address product dangers.
- 5.2 Provide stakeholders with easily accessible, timely, and useful safety information on consumer product hazards.
- 5.3 Deploy targeted outreach campaigns for priority hazards and vulnerable communities.
- 5.4 Increase access to consumer product safety information for industry and small businesses.

## Challenges

Raising awareness through timely communication of product risks and safety practices is crucial to empowering consumers to make informed safety choices. Useful, timely information helps make consumers aware of hazardous products in the marketplace and can instruct them to act quickly if they own recalled products, or to change their behavior in using products that have inherent safety risks. The CPSC uses a wide array of communication strategies to inform the public safety about issues and agency capabilities, including press releases, social media, radio and television announcements, videos, and public appearances by agency personnel.



## Results

The CPSC met or exceeded FY 2015 targets for all five key performance measures for Strategic Goal 5. Selected FY 2015 achievements include:

- More than 16 billion impressions of the CPSC safety messages were received by consumers, including about 519 million impressions for the CPSC's crib safety education program (Safe to Sleep®); more than 81 million impressions for minority outreach efforts; and nearly 1.2 billion impressions for the pool drowning and drain entrapment prevention program;
- CPSC increased the number of members of the Neighborhood Safety Network (NSN) from approximately 3,000 in 2009 to 9,200 in FY 2015. The NSN is a grassroots outreach program that provides timely information to member organizations and individuals, who in turn, share the CPSC safety messages with underserved consumers who might otherwise never hear of or receive information from the CPSC;
- More than 37,000 followers received the CPSC's safety messages on Twitter in FY 2015. More than 24 million impressions were received by consumers from Hispanic media and media interviews in Spanish for all major media events; and
- CPSC conducted an award-winning CO Poster Contest for middle-school students; the CPSC received about 700 submissions from across the country.

**Table 5 Strategic Goal 5 Key Performance Measures**

Performance Measure	Actuals / Trendline					2015 Target	
	2011	2012	2013	2014	2015	2015 Target	Target met?
<b>5.2.1</b> Number of public information campaigns conducted by the CPSC on targeted consumer product safety hazards	24	23	24	24	24	24	✓
<b>5.2.2</b> Number of impressions of the CPSC safety messages received by consumers on targeted consumer product safety hazards (in millions)	1,929	4,209	4,628	9,361	16,983	6,245	✓
<b>5.2.3</b> Number of media or social media events involving collaborations with other federal, state or local governments; consumer advocacy organizations; medical or industry groups; or other stakeholders that focus on a targeted hazard with high public concern	--	--	--	--	8	5	✓
<b>5.3.1</b> Number of impressions of the CPSC safety messages received by consumers on priority hazards in vulnerable communities (in millions)	751	437	1,395	2,408	3,666	1,795	✓
<b>5.3.4</b> Number of media or social media events involving collaborations with other federal, state or local governments; consumer advocacy organizations; medical or industry groups; or other stakeholders that focus on a priority hazard in vulnerable communities	--	--	--	--	15	15	✓



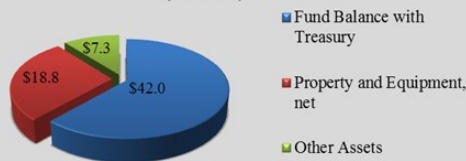
## Financial Statement Highlights:

The CPSC's financial statements summarize the financial position and financial activities of the agency. The financial statements and the notes to the financial statements appear in the Financial Section of the Agency Financial Report.

The CPSC's assets totaled \$68.1 million as of September 30, 2015, and are categorized into three key asset line items, as shown in the graph below:

**Assets - FY 2015**

(in millions)



The CPSC's liabilities were \$23.2 million as of September 30, 2015 and are categorized into seven categories as shown in the graph below:

**Liabilities - FY 2015**

(in millions)



**Audit Results.** The CPSC received an unmodified audit opinion on its FY 2015 financial statements.

## The CPSC's Achievements at a Glance

The [Federal Managers' Financial Integrity Act](#) and [Office of Management and Budget Circular A-123](#) require agencies to report to the President and Congress on the effectiveness of internal controls over programmatic operations and financial activities.

The CPSC takes seriously its responsibility for stewardship of the resources for which it is entrusted and for reporting on the CPSC's budget and performance outcomes.

This past fiscal year, the CPSC has built upon its commitment for sustained financial management excellence. Some of CPSC's most significant financial accomplishments in FY 2015 include:

- Continuing to build upon its Office of Management and Budget Circular A-123 Appendix-A internal controls program by actively testing financial controls for risk selected cycles throughout the year, and implementing corrective actions and process improvements to bolster the control environment, where necessary.
- Developing and initiating the implementation of a plan to comply with the new government-wide requirements of the Digital Accountability and Transparency Act of 2014 that will eventually require uniform reporting of 57 data elements to the Treasury Department on a quarterly basis and be made publicly available.
- Implementing a new travel management system that agency employees use to arrange and request reimbursement for official travel; the new system replaces a legacy travel system.
- Implementing updated policies and procedures for civil penalties collections, travel delegations and uncollectable debts to improve the overall controls and modernize processes.
- Updating improper payments risk analysis and reporting to align with new Office of Management and Budget guidance.

The CPSC was satisfied to have received an unmodified opinion on its FY 2015 financial statements. The accomplishments in FY 2015 are the result of the efforts of dedicated, hardworking professionals across the CPSC.

## Summary of Significant Management and Performance Challenges Identified by the Office of Inspector General (OIG)

The CPSC's Office of Inspector General (OIG) identified management and performance challenges in the following three areas:

- Adequacy of Internal Controls
- Information Technology Security
- Budget Uncertainty

Detailed information about the OIG management and performance challenges can be found on pages [50-54](#) of the FY 2015 Agency Financial Report.

## REFERENCES

FY 2015 Agency Financial Reports and  
FY 2015 Annual Performance Report  
Strategic Plan

<http://www.cpsc.gov/en/About-CPSC/Agency-Reports/Performance-and-Budget/>

Chairman's Challenges

<http://www.cpsc.gov/Global/About-CPSC/Chairman%20Kaye/ChairmansChallenge.pdf>



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