

U.S. Consumer Product Safety Commission



Office of Compliance

PPPA Workshop March 16, 2005

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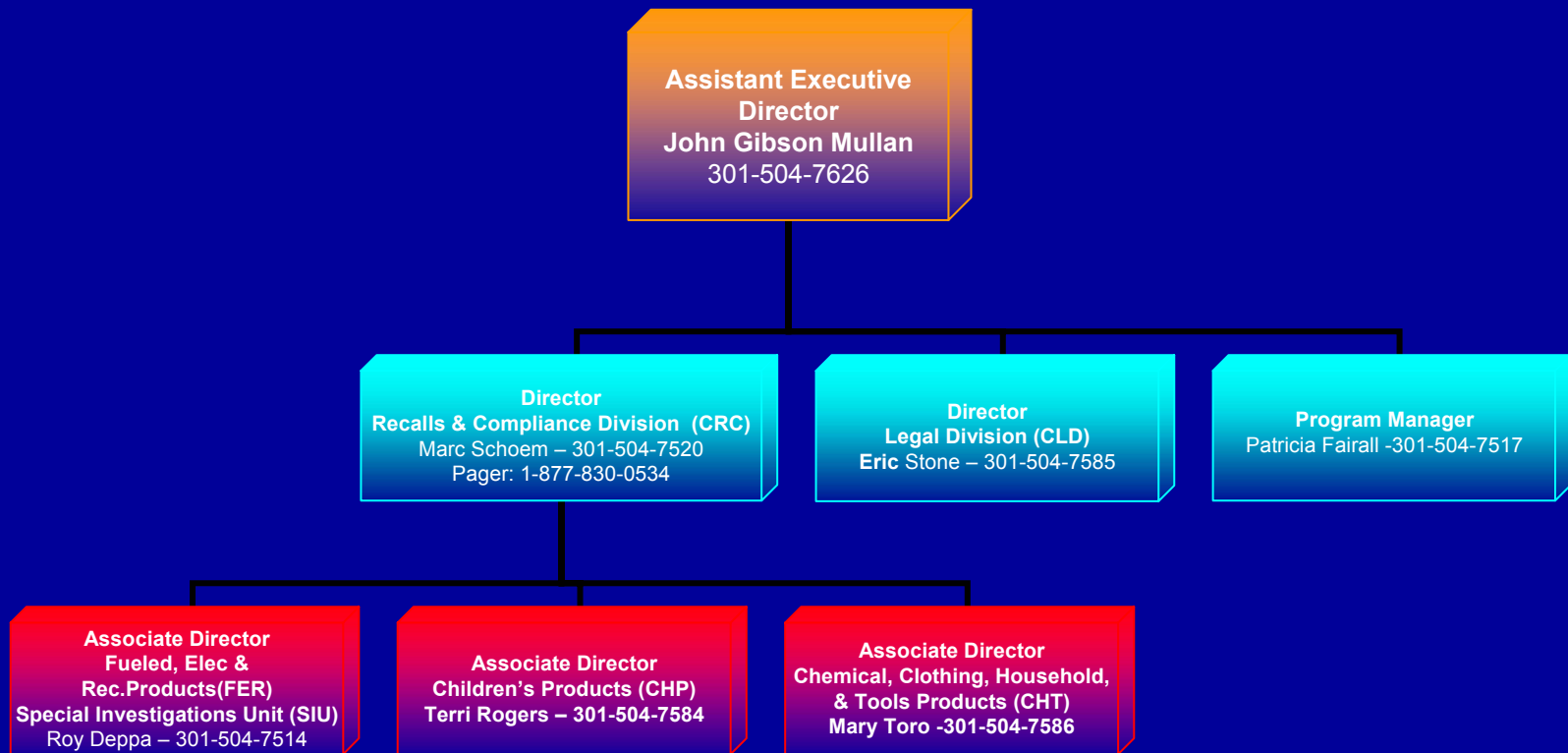
Office of Compliance

- Enforces CPSC rules and regulations
- Investigates hazardous products and violations of mandatory standards
- Seeks recalls for defective products and products that violate mandatory safety standards
- Educates industry about mandatory standards
- Monitors compliance with select voluntary industry standards

Office of Compliance

- Seeks civil penalties against firms that violate reporting requirements
- Seeks civil and/or criminal penalties against firms that violate mandatory standards
- Conducts administrative litigation to compel recalls
- Works with OGC and DOJ to pursue injunctions, penalties in federal court

Office of Compliance (EXC)



Learning of Unsafe Products

- Other federal agencies
- CPSC Field staff
- CPSC Hazard Analysis
- Reports from consumers
- Reports from competitors and other third parties
- Reports from product manufacturers, importers and retailers
- Other sources

CPSC/U.S. Customs

- **Access to Customs Data Bases**
 - Identify shipments of goods into the U.S.
 - Identify dates of arrival for shipments

- **More selective enforcement**
 - Target key products and firms based upon previous violations

CPSC Field Staff

- Approximately 100 investigators in over 60 different locations around the U.S.
- Reporting through 3 Regional Offices located in NY, Chicago and Oakland
- Field staff conducts:
 - 4,000 in-depth investigations yearly
 - 3,000 sample collections
 - 1,000 inspections of manufacturers, importers, distributors and retailers

Reports from Consumers

- CPSC Hotline incident reports (3,620 in FY 2004)
- CPSC web site incident reports (6,600 in FY 2004)
- Letters and e-mail to Commission

Reports from Third Parties

- Trade complaints
- Contacts from State and local law enforcement officials
- Inquiries from Congress
- Reports from coroners, hospitals and other medical authorities

Reports from Firms

- Section 15 of Consumer Product Safety Act (CPSA)
- Section 37 of CPSA
- Section 102 of Child Safety Protection Act
- New Retailer Reporting Model

Section 15 Reporting

- Section 15(b) of the Consumer Product Safety Act requires companies to report to CPSC “immediately” if they obtain information raising safety concerns about products they make or sell
- The reporting requirement applies to four types of safety concerns

Four Types of Safety Concerns

- Product fails to comply with a mandatory safety standard or ban under the CPSA
- Product fails to comply with certain voluntary standards
- Product contains a defect which could create a “substantial product hazard”
- Product creates an “unreasonable risk”

Substantial Product Hazard

- Probably most ambiguous area
- Defect is threshold question
 - Manufacturing defects (doesn't meet specs)
 - Design defects
 - Inadequate warnings, assembly instructions
 - Safety device malfunctions
- Design changes raise issue

Substantial Product Hazard

- Part 1115 Guidelines
- Most defects could present a substantial product hazard if [1] the public is exposed to significant numbers or [2] if the possible injury is serious *or* likely
- Since the extent of exposure and/or seriousness or likelihood of injury are not known when defect first appears, firms urged to “report when in doubt”

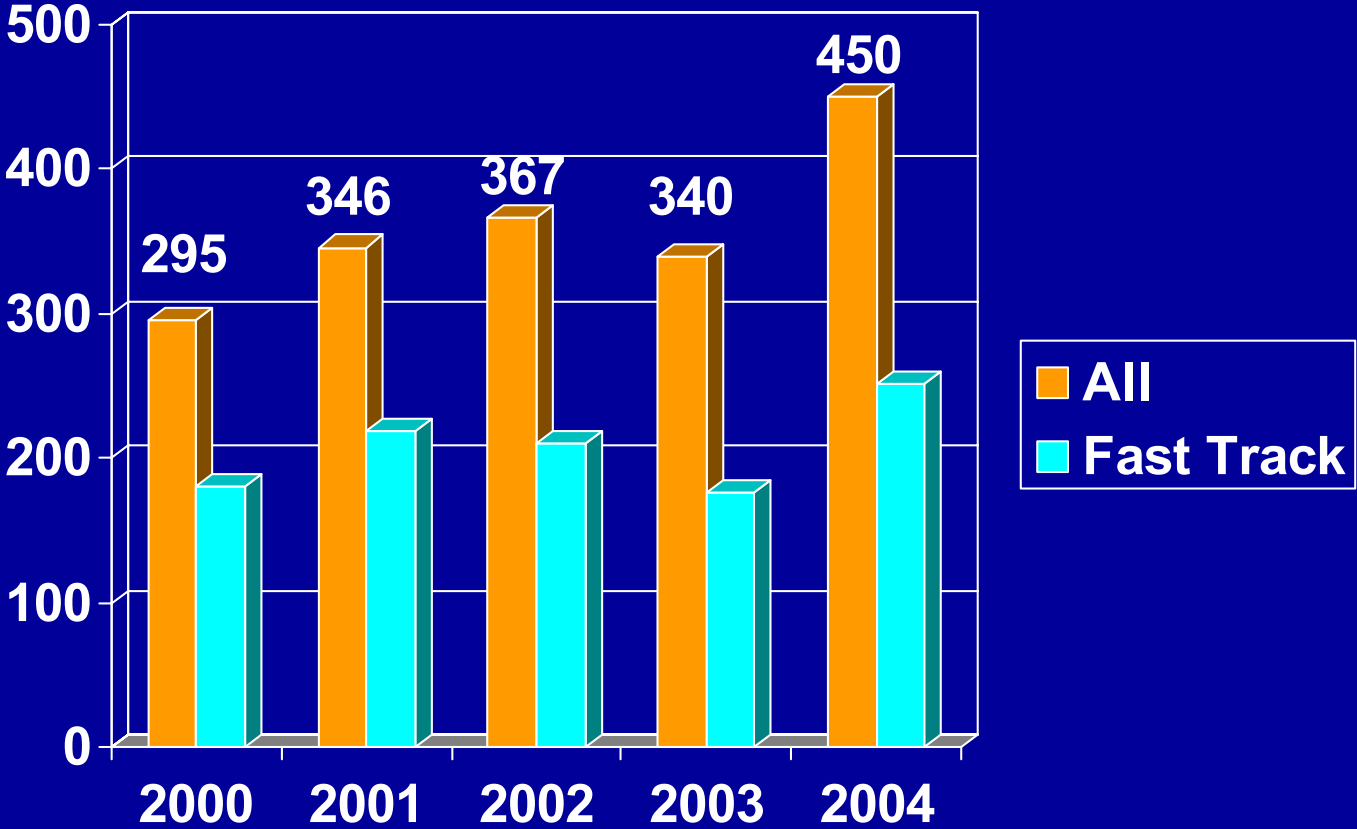
How Quickly Is Report Required?

- Must report “immediately” once information “reasonably supports the conclusion” that safety issue exists
- “immediately” means within 24 hours, but ten days to conduct investigations
- Phrase “reasonably supports conclusion” is intended to require reporting even when no final determination is possible

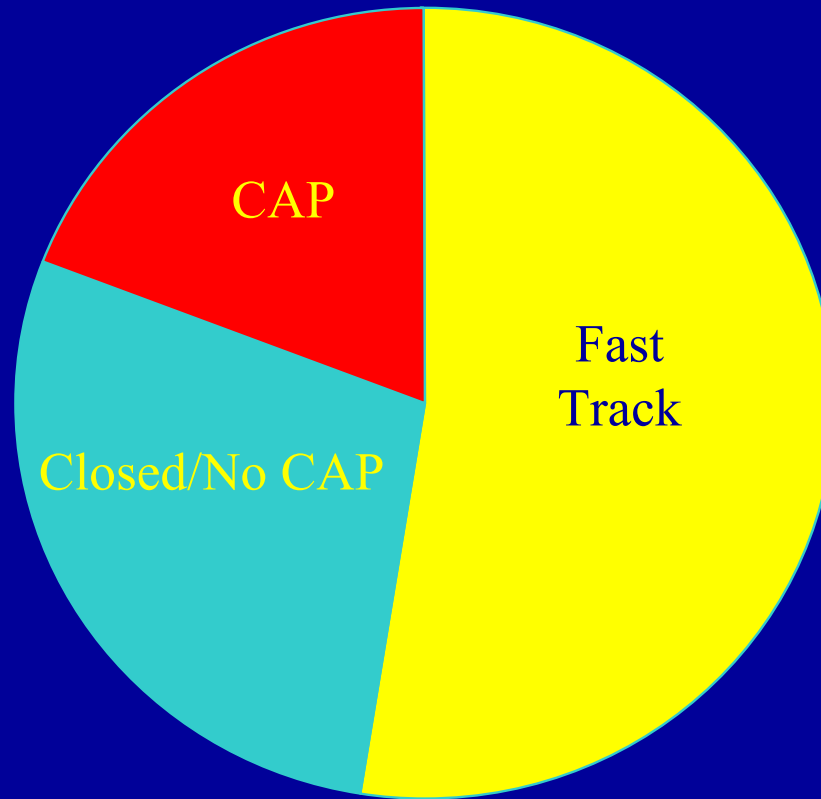
Staff Analysis of Reports

- Staff analyzes reports using statutory criteria, makes “Preliminary Determination” or “PD” with classification of hazard using alphabetic scale (most serious is A)
- Firm may bypass PD and ask to conduct “Fast Track” recall

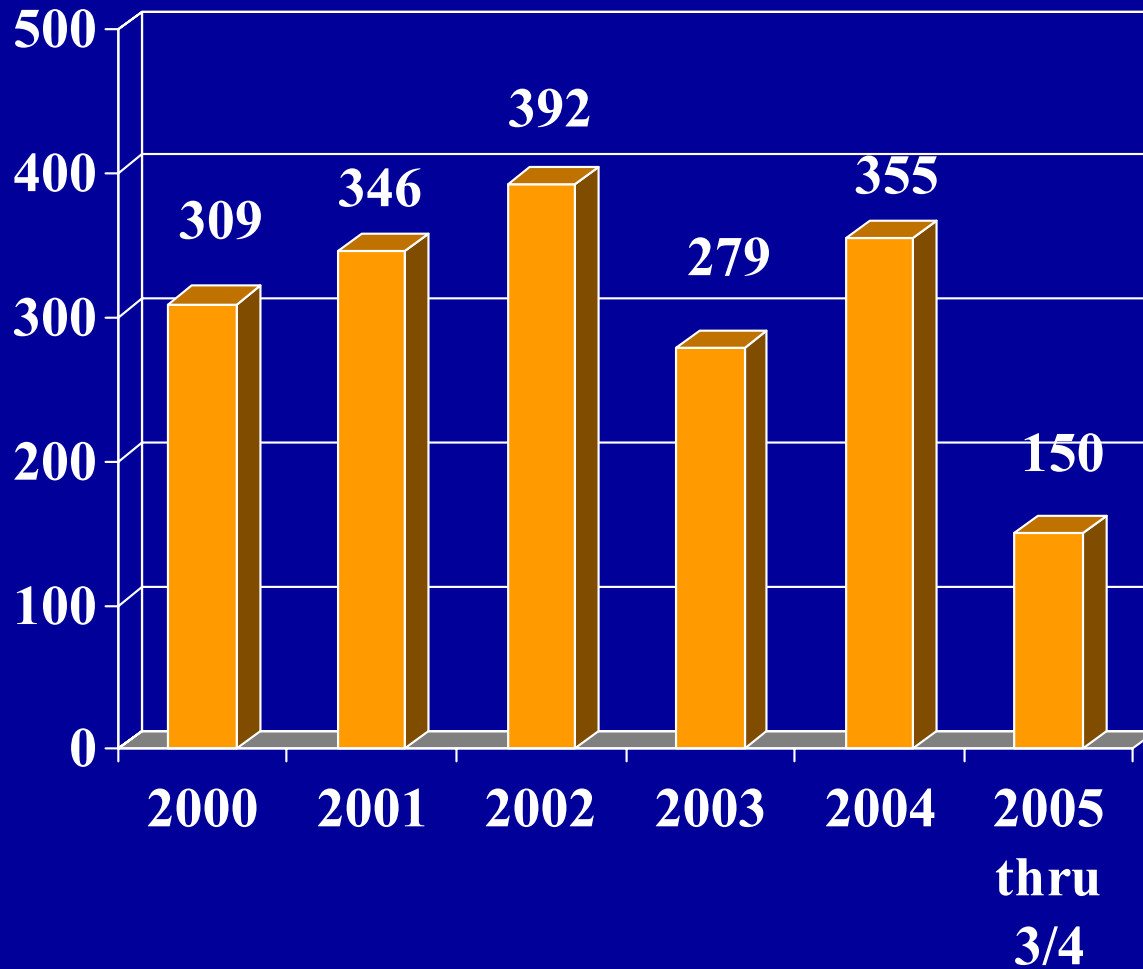
Section 15 Reports by Fiscal Year



Disposition of Section 15 Reports FY 2003



Voluntary Recalls by Fiscal Year



Recalls by Source (FY 2004)



Civil Penalties for Not Reporting

- Section 15 is enforced by penalties for not reporting or for reporting too late
- Penalty currently is \$8,000 for failure to report an individual product, subject to a maximum of \$1,825,000 for a series of related violations

Civil Penalties Collected by Fiscal Year

