

**FIELD ACTIVITY COVERSHEET**

<b>1. REGION/STATE</b> FOCR	<b>2. OPERATION (Check One)</b> <input checked="" type="checkbox"/> Inspection <input type="checkbox"/> Establishment Visit <input type="checkbox"/> Telephone Contact <input type="checkbox"/> Investigation <input type="checkbox"/> Other _____	<b>3. DATE</b> 8/26/88 <b>4. NUMBER (For FO Use)</b>
<b>5. ESTABLISHMENT</b> Name <u>Lennox Industries, Inc.</u> Address <u>1711 Olentangy River Rd.</u> City <u>Columbus</u> State <u>Ohio</u> Zip <u>43211</u> Telephone No. <u>614-421-6106</u>		
<b>6. RELATED FIRM</b> <input type="checkbox"/> Parent <input type="checkbox"/> Headquarters <input type="checkbox"/> Subsidiary <input type="checkbox"/> Other Name <u>Lennox Corp.</u> City <u>Dallas</u> State <u>Tx.</u>		
<b>7. PRODUCTS COVERED</b> <u>Pulse Furnace</u>	<b>8. OTHER CONSUMER PRODUCTS</b> <u>Furnaces</u>	
<b>9. ESTABLISHMENT TYPE</b> <input checked="" type="checkbox"/> Manufacturer <input type="checkbox"/> Importer <input type="checkbox"/> Wholesaler <input type="checkbox"/> Own Label Distributor <input type="checkbox"/> Retailer <input type="checkbox"/> Repackager <input type="checkbox"/> Other _____	<b>10. ANNUAL PRODUCTION</b> Not Obtained Products Covered \$ _____ Units _____ Other Products \$ _____ Units _____	
<b>11. I.S. BUSINESS</b> Not Obtained <input checked="" type="checkbox"/> Received _____ <input checked="" type="checkbox"/> Shipped _____	<b>12. SAMPLES COLLECTED</b> None	<b>13. MIS CODE</b> 32626
<b>14. HOURS</b> Activity <u>6</u> Travel <u>8</u>		
<b>15. REASON FOR ACTIVITY (Assignment Reference)</b> STI 88-113		
<b>16. ANNOUNCED</b> <input type="checkbox"/> Rationale for Announced Inspection <b>UNANNOUNCED</b> <input checked="" type="checkbox"/> UUUU		
<b>17. EMPLOYEE'S NAME</b> DuWayne Kapelis	<b>TITLE</b> Investigator 8133	<b>SIGNATURE</b> <i>DuWayne Kapelis</i>
<b>18. <input checked="" type="checkbox"/> ENDORSEMENT</b> <input type="checkbox"/> REMARKS <input type="checkbox"/> SUMMARY <input type="checkbox"/> OTHER _____ This inspection was done in response to STI 88-113. The site inspected is a Lenox regional Center. The purpose was to review the firm's completed recall verification cards to confirm retrofit totals for ID 85-19 their Model G-14 Pulse Furnace.  The inspection revealed that the firm had a vault room boxes of verification cards. 40 of these boxes were examined. Lenox refused to allow copying of individual customers names. The did allow copying of the names of the dealers involved and 15 dealer names and addresses were obtained. The investigator's best estimate is that they currently have 30,000 verification cards on file.  F/U: Refer to CACA.		
<b>19. REVIEWER'S NAME</b> John R. Vece	<b>TITLE</b> S.P.S.I.	<b>SIGNATURE</b> <i>John R. Vece</i>
<b>20. REVIEW DATE</b> 9-12-88	<b>21. DISTRIBUTION</b> O: FOCR; cc: CACA, L. Hershman; cc: CIN-RP.	

8/26/88

SUMMARY OF FINDINGS

This inspection was done to determine the actions of this firm's regional office concerning the retrofit operation on the Pulse Furnace Model G-14. This inspection was done under STI 88-113.

Credentials were shown and a Notice of Inspection Given to Mr. Dick Meyers// Product Manager. Mr. Meyers accompanied me on my inspection and supplied all of my information.

This facility is the regional center for manufacturing, sales, repairs and training for the Northeastern quarter of the U.S. This area includes Illinois, to the east coast and as far south as Kentucky and Tennessee.

Mr. Meyers stated that he was responsible for maintaining the recall and being sure the dealers reported repairs so Lennox could provide reimbursement for the labor charges. Mr. Meyers stated that he reports to Mr. Howard Pitts/ Corporate Service Director located in the Dallas, Texas Corporate Office. The General Manager of the Columbus facility is Mr. Robert Coster who is responsible for the Columbus operation and reports to Mr. Don Munson/ Executive Vice President at the Corporate Offices.

Mr. Meyers explained that the firm noticed a problem with their Pulse furnace when rime ice built up in the exhaust vent. This was reported to CPSC. They determined that very special environmental conditions had to be present for this to take place. They determined that they would retrofit existing furnaces to eliminate this problem. This problem exists only when there is very high barometric pressure, very cold temperatures and high humidity.

This fix consisted of mailing dealers kits which contained:

- (1) Pressure switch . This shuts down the unit if the exhaust vent is plugged.
- (2) Vent pipe on drip leg of condensate tube to eliminate siphonage or pressure build up.
- (3) Drip leg restrictor to prevent gas escaping.
- (4) Exhaust vent insulation.

All newer furnaces have these modifications included before shipment.

This repair kit at first contained a verification sheet of 3 copies which was filled out by the dealer to obtain his labor fees for the fix. This sheet is attached as Ex. A. Later in the repair operation this sheet was changed to a post card. No blank copy is available of this card.

I asked Mr. Meyers how effective the recall had been at his facility. He explained that all such written reports were now only with the Corporate office. He stated that his facility attempted to fix approximately 30,000 units. They were between 97 and 98% effective when figures were developed 2 or 3 years ago.

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I asked to see the records. Mr. Meyers showed me a vault room with many boxes. Each box I examined (40 in all) contained the dealer completed repair cards filed mainly by dealer and territory. I made the best count possible and feel that there are close to 30,000 cards present. This is difficult to estimate due to the difference in the two types of documents used by the dealers to report the repairs.

I examined individual documents and Mr. Meyers refused to allow me to copy the names of customers. He did allow the copying of the Dealers names and the approximate numbers of furnaces they corrected. He also explained that dealers are listed in all phone books under the Lennox name.

The Dealers names I obtained are as follows:

Note: Repair numbers are not exact.

Alan Heating Co.  
510 Spring Rd.  
Elmhurst, Ill.  
100 units repaired

Lexington Unique c.  
311 Virginia Ave.  
Lexington, Ky.  
12 Units.

McQuern and Rolf Htg.  
848 E Columbia  
Battle Creek, Mich.  
45 Units.

Best Heating and Air Cond.  
1040 Busse Hwy.  
Park Ridge, Ill  
2 units.

Coleman Smith Co.  
1217 Industry Rd.  
Lexington, Ky.  
60 Units.

American Heating  
1037 E. St. Charles Rd.  
Lombard, Ill  
9 Units.

Airtronic Heating and A.C.  
26666 Grand River  
Redford, Mich. 48240  
30 Units.

King-Lar Co.  
2020 E. Ohio  
Decatur, Ill  
24 Units.

Shores Heating.  
28709 Harper Ave.  
St. Claires Shores, Mi.  
21 Units.

Le Blanc Heating  
43 So. River Rd.  
Bedford, N.H.  
11 Units.

Kast Heating  
580 So. Telegraph  
Pontiac, Mi.  
75 Units.

Academy Heating and A.C.  
11720 Nebel ST.  
Rockville, Md.  
20 Units.

Max Gate's Heating  
61200 8 Mile Rd.  
S. Lyon, Mich.  
5 Units.

Morgan Heating  
7613 Lakota Hills Dr.  
Westchester, Ohio  
30 Units.

Gantrell Heating.  
12525 E. 9 Mile  
Warren, Mich.  
7 Units.

*DuWayne Kapelis*  
DuWayne Kapelis  
Investigator 8133

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FIELD ACTIVITY COVERSHEET

1. REGION/STATE  FOCR	2. OPERATION (Check One) <input checked="" type="checkbox"/> Inspection <input type="checkbox"/> Establishment Visit <input type="checkbox"/> Telephone Contact <input type="checkbox"/> Investigation <input type="checkbox"/> Other _____	3. DATE 9-20-88
		4. NUMBER (For FO Use)

5. ESTABLISHMENT  
 Name Lennox Industries, Inc. Midwest Division  
 Address 200 S. 12th Ave.  
 City Marshalltown State IA Zip 50158 Telephone No. (515) 754-4011

6. RELATED FIRM       Parent       Headquarters       Subsidiary       Other  
 Name Lennox Industries, Inc. City Dallas State TX

7. PRODUCTS COVERED <u>Model G14 Pulse Furnaces</u>	8. OTHER CONSUMER PRODUCTS
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9. ESTABLISHMENT TYPE <input checked="" type="checkbox"/> Manufacturer <input type="checkbox"/> Importer <input type="checkbox"/> Wholesaler <input type="checkbox"/> Own Label Distributor <input type="checkbox"/> Retailer <input type="checkbox"/> Repackager <input type="checkbox"/> Other _____	10. ANNUAL PRODUCTION Products Covered \$ _____ Units <u>34,207</u> Other Products \$ _____ Units _____
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11. I.S. BUSINESS Z Received <u>Y</u> Z Shipped <u>Y</u>	12. SAMPLES COLLECTED None	13. MIS CODE 32626	14. HOURS Activity: <u>8</u> Travel: <u>7</u>
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15. REASON FOR ACTIVITY (Assignment Reference)  
STI 88-113, FOCR Work Plans

16. ANNOUNCED  Rationale for Announced Inspection To have knowledgeable person present.  
 UNANNOUNCED

17. EMPLOYEE'S NAME Robert B. Johnston	TITLE Investigator	SIGNATURE <i>Robert B. Johnston</i>
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18.  ENDORSEMENT       REMARKS       SUMMARY       OTHER \_\_\_\_\_

This inspection was conducted in response to STI 88-133 to obtain information on the status of the firm's CAP for ID 85-19 involving the G14 pulse furnace.

The inspection revealed that 34,207 furnaces in the Midwest Division were involved in the CAP. A review of the firm's records revealed that approximately 34,200 retrofit kits have been sent out by this division to their dealers. Names and addresses of 9 current and 4 former dealers were obtained.

F/U: Refer to CACA

19. REVIEWER'S NAME John R. Vece	TITLE S.P.S.I.	SIGNATURE <i>John R. Vece</i>
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20. REVIEW DATE 10-11-88	21. DISTRIBUTION O: FOCR; cc: CACA, L. Hershman; cc: FOWR.
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Lennox Industries, Inc.  
Midwest Division  
200 S. 12th Ave  
Marshalltown, IA 50158

SUMMARY

This inspection was made under STI 88-113, as part of ID 85-19 involving Lennox model Q14 pulse furnaces. The purpose was to examine completed recall verification sheets at one of Lennox Industries regional centers. A retrofit program on the furnaces was instituted because the exhaust vents would freeze shut allowing exhaust gases to enter residences.

Credentials were shown to and a written Notice of Inspection was given to Mr. Thomas Ethington, Product Service Manager. Mr. John F. Velday, Esq., an attorney with Cartwright, Druker & Ryden, 112 N. Church St., Marshalltown, IA (515) 752-5467, was also present. Mr. Velday said that he was on retainer for Lennox Industries. Mr. Ethington said that Mr. T.R. Thompson, Vice President and General Manager, was in charge of the Lennox Industries Midwest Division. Headquarters for Lennox Industries are in Dallas, TX. Mr. Ethington was contacted as I was informed that he was the person who had knowledge of the recall and the records involved.

Mr. Ethington said that a total of 34,207 Midwest Division furnaces were involved in the recall. The Midwest Division runs from the western edge of Illinois west to and including Colorado. Mr. Ethington said that currently there were 1,474 Lennox Dealers in the Midwest Division. He said that this number was not the same as when the recall started as some dealers had dropped Lennox affiliation while other dealers had been added. He said that the trend was for larger dealerships with smaller ones dropping out.

The recall verification slips were in nine file cabinet drawers at the firm. The slips were in file folders in the drawers. The folders were marked with the dealer name and address and were organized by sales territories within the Midwest Division. The folders contained slips only, no post cards were present as they had not been used by the Midwest Division. A number in red ink was on the outside of file folders that denoted the number of retrofit kits sent to that particular dealer.

Mr. Ethington said that as of 1986, 96%-97% of the furnaces had been retrofit. He said that 33,153 retrofit kits had been sent to dealers. He said that this figure did not include the period from April, 1986 to December, 1986 when 1,070 kits were shipped. This gives a total of 34,223 kits sent (over 100% correction) to

Lennox Industries, Inc.  
Midwest Division  
Marshalltown, IA 50153

dealers using these figures. Mr. Ethington said that these figures were estimates he obtained by taking the total cost of retrofit kits sent to date and dividing that figure by the average cost of a kit, approximately \$29.00. He said that recall verification slips were still occasionally received.

An estimate was made of the recall verification slips in the file drawers by counting the number of kits indicated as being shipped to a dealer from the number in red on the file folder. Four of the drawers were counted, one being 2/3 full and an average of approximately 3,800 slips per file drawer obtained. This gives an approximate figure of 34,200 slips. This figure is in line with that provided by Mr. Ethington.

Names of some of the dealers were obtained and are listed as follows:

Snelling Co./Snelling Mechanical  
1400 Concordia Ave  
St. Paul, MN 55103  
204 kits sent

George Sedgwick Heating & Air Conditioning Co.  
1001 Xenia Ave South  
Minneapolis, MN 55416  
149 kits sent

Kleve Heating & Air Conditioning, Inc.  
13075 Pioneer Trail  
Eden Prairie, MN 55344  
214 kits sent

Milwaukee Furnace Co.  
2130 W. National Ave  
Milwaukee, WI 53204  
148 kits sent

Hales Corners Heating & Air Conditioning  
11211 W. Forest Home Ave  
Franklin, WI 53132  
71 kits sent

Midwest Precision Heating & Cooling, Inc.  
13228 Holmes Rd.  
Kansas City, MO 64145  
80 kits sent

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Midwest Division  
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Quality Metal Products, Inc.  
11500 W. 13th Ave  
Lakewood, CO 80215  
130 kits sent

Keil Heating & Cooling  
301 N. Illinois St.  
Belleville, IL 62220  
61 kits sent

Ryan Heating Co., Inc.  
5822 Gravois  
St. Louis, MO 63116  
190 kits sent

Several other dealer names obtained were stated as no longer carrying Lennox lines by Mr. Ethington. These firms that no longer are Lennox dealers but who had been sent retrofit kits included:

Fox Furnace Co.  
5144 Brighton  
Kansas City, MO 64130  
63 kits sent

Fields Comfort Systems  
213 S. Main  
Lees Summit, MO

Croxy Bros. Heating & Air Conditioning  
845 S. Jason St.  
Denver, CO 80223  
21 kits sent

VP Environmental Systems  
11734 W. 91st St.  
Overland Park, KS 66214

Robert B. Johnston  
Investigator

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U.S. CONSUMER PRODUCT SAFETY COMMISSION

NOTICE OF INSPECTION

1. DATE <b>9-20-88</b>	3. FROM (Area Office and Address) <b>230 S. DEARBORN ST ROOM 2944 CHICAGO, IL 60604</b>
2. TIME <b>1002</b> A.M. _____ P.M.	

A. NAME AND TITLE OF INDIVIDUAL <b>THOMAS ETHINGTON, CUSTOMER SERVICE MGR.</b>
B. FIRM NAME <b>LENNOX INDUSTRIES, INC</b>
4. TO C. NUMBER AND STREET ADDRESS <b>200 S. 12 TH AVE.</b>
D. CITY, STATE AND ZIP CODE <b>MARSHALLTOWN, IA 50158</b>

Notice of Inspection is hereby given pursuant to:

- Flammable Fabrics Act (15 U.S.C. 1191 *et seq.*);
- Federal Trade Commission Act (15 U.S.C. 41 *et seq.*);
- Sections 16, 19 and 27 of the Consumer Product Safety Act (15 U.S.C. 2065, 2068 and 2075);
- Section 704(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374(a)) [Authority for inspections in connection with the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1471 *et seq.*)] and/or;
- Section 11(b) of the Federal Hazardous Substances Act as Amended (15 U.S.C. 1270(b)).

Refer to the back of this form for a discussion of inspectional authority and for pertinent statutory language:

5. PURPOSES OF INSPECTION AND NATURE OF INFORMATION TO BE OBTAINED AND/OR COPIED.

The purpose of this inspection is to obtain information; to review and obtain copies of items including, but not limited to records, reports, books, documents; and labeling; and to obtain samples, in order to enforce or determine compliance with the Acts administered by the Consumer Product Safety Commission.

6. FREEDOM OF INFORMATION REQUIREMENTS

Those from whom information is requested should state whether any of the information submitted is believed to contain or relate to a trade secret or other matter which should be considered by the Commission to be confidential and whether any of the information is believed to be entitled to exemption from disclosure by the Commission under the provisions of the Freedom of Information Act (15 U.S.C. 552). Any statement asserting this claim of confidentiality must be in writing, and any request for exemption of the information from disclosure must be made in accordance with the Commission's Freedom of Information Act regulations: 16 CFR Part 1015.

7. SIGNATURE (Authorized CPSC Official)

*Robert B. Smith*

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