



Record of Commission Action Commissioners
Voting by Ballot*

Commissioners Voting: Chair Alexander D. Hoehn-Saric
Commissioner Peter A. Feldman
Commissioner Richard Trumka Jr.
Commissioner Mary T. Boyle

ITEM:

HSN, Inc.: Recommendation to Accept \$16 Million Civil Penalty Settlement Under the
Consumer Product Safety Act

Ballot vote package dated October 25, 2023 – OS #0262.

DECISION:

The Commission voted unanimously (4-0) to provisionally accept under
16 C.F.R. § 1118.20(d) the Settlement Agreement and Order against HSN, Inc. and announce
its provisional acceptance in the *Federal Register*.

Chair Hoehn-Saric, and Commissioners Feldman and Boyle issued statements regarding this
matter (see attachments).

For the Commission:

Alberta E. Mills,
Secretary

Vote due: November 3, 2023.

(Commissioner Feldman extended the vote due date from October 31 to November 3, 2023).

Attachments: Statement by Chair Hoehn-Saric
Statement by Commissioner Feldman
Statement by Commissioner Boyle



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

CHAIR ALEXANDER D. HOEHN-SARIC

Statement of Chair Alexander Hoehn-Saric on \$16M Settlement with HSN, Inc.

November 8, 2023

Today's unanimous vote by the Commission, to hold HSN, Inc. (HSN) accountable for putting the public at risk, reflects CPSC's commitment to – and success in – holding companies responsible who continue to sell dangerous products despite knowing those products can cause serious injury or death.

Under the proposed settlement agreement, HSN would pay \$16 million for allegedly violating the Consumer Product Safety Act by failing to immediately report that approximately 5.4 million of its Joy Mangano brand "My Little Steamer" and "My Little Steamer Go Mini" products contained a defect that could create a substantial product hazard or create an unreasonable risk of serious injury or death. By the time HSN filed an initial report with the Commission, it had received approximately 400 complaints of the steamers spraying or expelling hot water, approximately 700 additional reports of leaks, and at least 91 reports of injury as well as 29 insurance claims alleging serious injuries.

For Fiscal Year 2023 (ending September 30, 2023), CPSC assessed more than \$52 million in civil penalty payments to the U.S. Treasury, which is higher than the \$32 million assessed in Fiscal Year 2022. With this provisional agreement, we will have already reached \$25 million for Fiscal Year 2024. This is no small feat, and our actions send a loud and clear warning to companies that CPSC will act when companies do not report. I thank CPSC's staff for their hard work, diligence, and commitment to improving consumer product safety.



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COMMISSIONER PETER A. FELDMAN

**STATEMENT OF COMMISSIONER PETER A. FELDMAN
ON THE CIVIL PENALTY SETTLEMENT AGREEMENT WITH HSN, INC.**

NOVEMBER 8, 2023

Compliance audits are a valuable option for the Commission – so is third-party monitoring

The U.S. Consumer Product Safety Commission (CPSC) today announced approval of a civil penalty agreement with HSN, Inc. (formerly the Home Shopping Network). HSN imported and distributed more than five million Joy Mangano brand “My Little Steamer” products with a defect that could spray or leak hot water during use. CPSC is aware of at least 178 injuries related to the steamers, including serious burns but no fatalities. Rather than reporting immediately, as is required under the Consumer Product Safety Act, HSN took more than six years to report the defect information, despite knowledge of the defect. I voted to approve this settlement agreement, which fines HSN \$16 million, near but below the maximum penalty allowed under the law. This penalty is appropriate given the facts of the case.

I have long advocated for CPSC’s use of injunctive relief alongside civil penalties. I am pleased that, in addition to the monetary penalty, the HSN settlement agreement includes important auditing requirements. HSN must maintain a compliance program and a system of internal controls. Further, HSN agrees to submit annual audit reports regarding that program for three years. CPSC’s inclusion of audit provisions here, and in several recent civil penalty agreements, not only serves to deter violations, but also can be an effective tool to promote full compliance with the law.

In addition to internal audit provisions, external third-party monitors are appropriate in certain cases. CPSC is authorized to pursue these monitorships. The agency has secured such relief in civil litigation and may appropriately seek it in settlement negotiations. As I have [stated previously](#), third-party monitors are appropriate in cases with aggravating factors, particularly those involving recidivism and where there is evidence that a firm has failed to monitor itself appropriately. This remedy must remain top of mind as the Commission considers future compliance cases.



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COMMISSIONER MARY T. BOYLE

COMMISSIONER MARY T. BOYLE STATEMENT ON HSN'S AGREEMENT TO PAY \$16.0 MILLION CIVIL PENALTY

Along with all my colleagues on the Commission, I voted to approve a settlement agreement requiring HSN to pay \$16.0 million in civil penalties. The settlement would resolve allegations that for at least seven years, HSN knowingly failed to report to CPSC that certain My Little Steamer products contained a defect that posed a serious burn hazard to consumers.

The penalty here essentially represents the most that CPSC can impose under current statutory authority (with \$16.025 million set as the legal maximum in this instance). As set forth in the allegations, HSN had received numerous reports that the Steamers would spray, expel, and/or leak hot water, resulting in cases of serious and permanent injuries to unsuspecting consumers. Nevertheless, HSN, a multi-billion dollar corporation with vast resources, let at least seven years elapse before fulfilling its obligation to tell the Commission what it knew about this serious and ongoing risk of harm.

Indeed, I am concerned that companies with revenues in the hundreds of millions, and even billions, of dollars may consider the current penalty regime merely a cost of doing business. Companies like HSN are in the best position to know what is happening with their products, and it is critical to the American public that they report relevant safety information to CPSC in a timely way. Protecting the public requires a meaningful deterrent. To penalize bad actors and to incentivize companies of all sizes to make consumer safety a top priority, I have been urging Congress to significantly increase CPSC's penalty authority.

My support for this agreement underscores my commitment to making sure all companies hold up their end of the bargain: CPSC does not provide pre-market approval of products, so when companies learn of safety problems or even information that a product contains a defect that *could* create a substantial product hazard, they must *immediately* inform the Commission. That is the law.