



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

COMMISSIONER RICH TRUMKA JR.

**CPSC SECURES \$19.065 MILLION PENALTY AGAINST
PELTON FOR CORPORATE MISCONDUCT SURROUNDING LETHAL
DEFECT**

JANUARY 5, 2023

This vote marks a leap forward in CPSC’s bipartisan plan to protect consumers by enforcing the law and deterring corporate misconduct. The Commission unanimously approved a \$19.065 million civil penalty against Peloton for keeping vital safety information secret and distributing recalled products with a lethal defect. This is larger than the maximum civil penalty allowed by law for a single violation because Peloton committed two distinct violations by both failing to report incidents and selling recalled units.

Peloton’s conduct called for one of the largest civil penalties in our history. Evidence indicates that for years, Peloton knew from consumer reports that its treadmills could grab and pull kids and objects under the rear of the Tread+ treadmill, allowing for serious or fatal injuries. As incidents mounted, the company kept CPSC in the dark by failing to report them, preventing our agency from protecting the public. It took tragedy striking for Peloton to act: on March 3, 2021, a six-year-old child died after being pulled under the rear of the Tread+ treadmill. Had Peloton reported incidents on time, this child might still be alive today. By the time Peloton filed a report to CPSC following that event, over 150 incidents were known to the company. Then, after CPSC published the recall with Peloton, the company distributed units of the recalled Tread+ treadmill in violation of the recall agreement. The company’s conduct required CPSC to respond with swift and just punishment—a \$19.065 million penalty.

I am proud of CPSC’s staff, who worked tirelessly to bring about this result: Mary B. Murphy, Leah Ippolito, Michael J. Rogal, Jennifer Sultan, and Robert Kaye as well as Melissa Hampshire and Harriet Kerwin. Their actions will protect consumers and change corporate expectations about our agency’s response to hazards in the future.

I emphasize once again that this Commission is serious about deterring corporate misconduct using every tool at our disposal, including the appropriate use of civil penalties and, where warranted, criminal referrals.