

# **Product Recall**

**By:**

**Homi Ahmadi**

**October 25, 2017**

# Product Recall

- **What is a defect:**
  - A flaw, fault, or irregularity that causes weakness, failure, or inadequacy in the form or function of a product.

# Product Recall

- **Sources of defects:**
  - Design
  - Manufacturing/Assembly
  - Material/Component
  - Packaging
  - Warning
  - Instruction

# Product Recall

- **Every manufacturer, importer, distributor, or retailer is required to immediately report (within 24 hours) once it has obtained information which reasonably supports the conclusion that its product:**
  - **Fails to meet a rule, regulation, standard, or ban under the CPSA or any other statute enforced by CPSC;**
  - **Contains a defect which could create a substantial product hazard to consumers;**
  - **Creates an unreasonable risk of serious injury or death (does not require a defect).**



# Product Recall

- **The US estimated annual losses associated with mishaps involving consumer products:**
  - **34,500 deaths;**
  - **38,000 injury needing medical attention;**
  - **36 Million injuries;**
  - **This translates into one trillion dollars (\$1,000,000,000,000) in societal cost.**

# Product Recall

- **Government agency in charge is the Consumer Product Safety Commission (CPS)**
- **Each country have their own recall guideline;**
- **ISO 10393 dedicated to consumer products;**
- **Recall process is very similar between various industries;**
- **CPSC does not cover auto, marine, avionic, food, drugs, firearms, pesticide, or OSHA.**

# Product Recall

- **In just under 6 months (12/1/15 to 4/13/16) CPSC received reports of:**
  - 137 fires;
  - 7 burns;
  - Millions of dollars in property damage.
- **Civil penalties against individuals or firms who knowingly commit a violation is up to \$100K per violation.**

# Product Recall

- Define what level (Hazard Priority Class) is the recall?

Class	Description
Class A	The risk of death or grievous injury or illness is likely or very likely, or serious injury or illness is very likely.
Class B	The risk of death or grievous injury or illness is not likely to occur, but is possible, or when serious injury or illness is likely, or moderate injury or illness is very likely.
Class C	The risk of serious injury or illness is not likely, but is possible, or when moderate injury or illness is not necessarily likely, but is possible.

# Product Recall

- **Steps that are taken during the recall:**
  - Form a committee-Various members;
  - Cease all sales of defective products immediately;
  - Quarantine all defective stocks (worldwide);
  - Inform CPSC;
  - Provide comprehensive public notice (press release, web site, e-mail, social media, etc.);
  - Web Site utilization (detailing how to look for a faulty product);

# Product Recall

- **Steps that are taken during the recall (continued):**
  - **Coordinate with retailers (if any);**
  - **Corrective Action Report (CAR) (Technical fix + refund + replacement)**
  - **Root Cause Analysis (RCA);**
  - **Preventative Action (PA) (Ensure that a preventative action plan is in place);**
  - **Document every step and have a DB;**

# Product Recall

- **Steps that are taken during the recall (continued):**
  - Have a dedicated toll free phone number and personnel dedicated to answering the incoming calls;
  - Collect all the statistics for a successful recall (i.e., monitor all incoming calls and correspondence).
  - Do a Dummy recall;

# Product Recall

- **Recent Civil Penalties:**

- Gree (dehumidifiers) = \$15.45 million!
- Baja (minibikes & go-carts) = \$4.3 million;
- phil&ted's (clip-on high chairs) = \$3.5 million;
- Johnson Health (fitness equipment) = \$3.0 million;
- Others such as GM, Sony, Samsung.

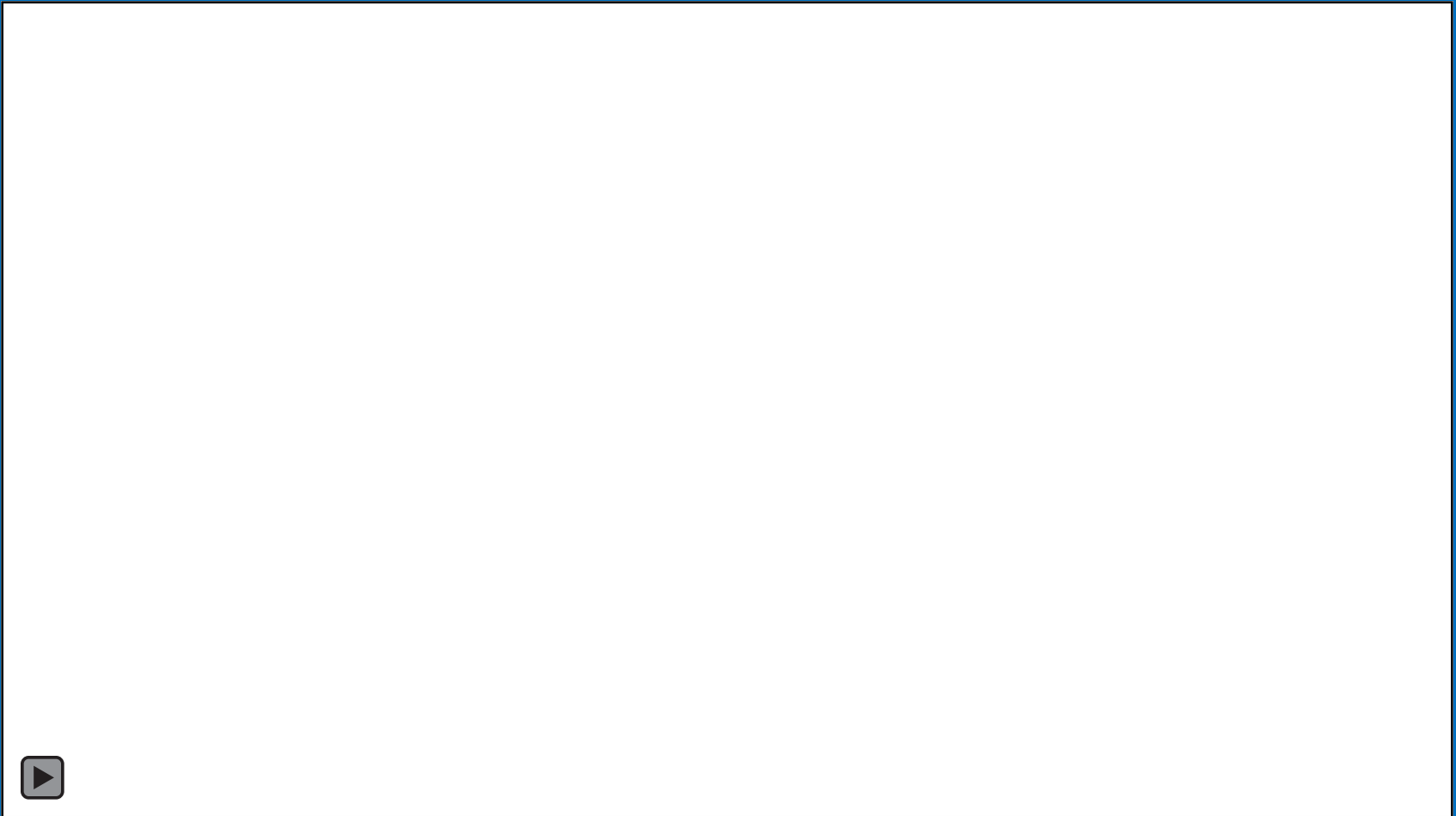


# Product Recall Video – HP Notebook Batteries



Date Edited: 10/25/2017

# Product Recall Video – Samsung Galaxy Note 7



# Product Recall – Home Depot Civil Penalty Agreement

Home Depot Agrees to Pay \$5.7 Million Civil Penalty, Maintain Compliance Program for... Page 1 of 4



United States  
CONSUMER PRODUCT SAFETY COMMISSION

## Home Depot Agrees to Pay \$5.7 Million Civil Penalty, Maintain Compliance Program for Selling and Distributing Recalled Products

Release date: August 30, 2017

Release number: 17-214

### Release Details

1 of 1 photos



<https://www.cpsc.gov/Newsroom/News-Releases/2017/Home-Depct-Agrees-to-Pay-5.7-Million-Civil-Penalty-Maintain-Compliance-Program-for-Selling-and-Distributing-Recalled-Products> 10/12/2017

Date Edited: 10/25/2017

# Product Recall – Home Depot Civil Penalty Agreement (Cont'd)



WASHINGTON, D.C. – The U.S. Consumer Product Safety Commission (CPSC) announced that Home Depot U.S.A. Inc., of Atlanta, Georgia, has agreed to pay a \$5.7 million civil penalty for selling and distributing previously recalled consumer products. The agreement settles charges that the firm knowingly sold and distributed approximately 2,816 recalled products from 33 separate voluntary corrective actions during a four-year period from August 2012 through November 2016.

Federal law prohibits the sale, offer for sale, or distribution in commerce of a consumer product that is subject to voluntary corrective action, such as a recall, that has been publicly announced and taken in consultation with CPSC.

CPSC staff charged that Home Depot's procedures failed to accurately identify, quarantine, and prevent the sale and distribution of the recalled products. Home Depot sold and distributed the recalled products in its stores through traditional register lanes and special services desks, and through sales for salvage from its reverse logistic centers, internet sales, and donation program.

The hazards posed by the recalled products include, but are not limited to, fire hazards, laceration hazards, and electrocution and shock hazards.

The recalled products sold and distributed by Home Depot are:

- HeathCo Motion Activated Outdoor Lights, recalled on July 26, 2012;
- Legrand Under Cabinet Power and Light Strips, recalled on September 6, 2012, and expanded on May 15, 2014;
- LG Electronics Electric Ranges, recalled on November 8, 2012;
- Pramac America LLC Powermate Portable Generators, recalled on November 13, 2012;
- Wing Enterprises Stepladders, recalled on December 11, 2012;
- LG Electronics, Inc., Top Loading Washers, recalled on December 18, 2012;
- CE Tech Riser Cables, recalled on April 9, 2013;
- Nourison Rugs, recalled on May 23, 2013;
- Soleil Portable Heaters, recalled on July 25, 2013;
- Gree Dehumidifiers, recalled on September 12, 2013, expanded in January 2014, and reannounced in May 2014;
- HeathCo Motion-Activated Outdoor Lights, recalled on October 30, 2013;
- RSI Bathroom Medicine Cabinets, recalled on January 16, 2014;
- HDX/Powermate Two-Gallon Air Compressors, recalled on February 12, 2014;
- Genie Garage Door Openers, recalled on February 25, 2014;

# Product Recall – Home Depot Civil Penalty Agreement (Cont'd)

- Dyson Bladeless Portable Heaters, recalled on April 1, 2014;
- Nest Labs Smoke/CO Alarms, recalled on May 21, 2014;
- Cordelia Shop Lights, recalled on May 22, 2014;
- Lithonia Quantum® ELM and ELM2 Two-Light Emergency Light Fixtures, recalled on May 28, 2014;
- Harris Products Group Welding Torches, recalled on July 31, 2014;
- Vornado Air Electric Space Heaters, recalled on August 14, 2014;
- Kidde Smoke/Co Alarms, recalled on September 11, 2014;
- Fiskars Bypass Loppers, recalled on October 8, 2014;
- Mohawk Home Rugs, recalled on November 19, 2014;
- Kidde Fire Extinguishers, recalled on February 12, 2015;
- Westinghouse Lighting Glass Shade Holders, recalled on March 12, 2015;
- Husky Vertical Bike Hooks, recalled on April 15, 2015;
- HomeLite Blower Vacuums, recalled on April 16, 2015;
- Gerber Cohort Folding Knives, recalled on May 26, 2015;
- Technical Consumer Products LED Down Light Fixtures, recalled on September 8, 2015;
- Philips Lighting Halogen Flood Lights, recalled on September 10, 2015;
- Lota Touchless Single-Handle, Pull-Down Sprayer Faucets, recalled on September 10, 2015;
- Bosch Slim Grinders, recalled on May 11, 2016, and
- Honda Mini Tillers, recalled on May 25, 2016.

On November 18, 2015, CPSC and Home Depot jointly re-announced the recalls of products that Home Depot sold and distributed after the original recalls had been announced.

In addition to paying the \$5.7 million civil penalty, Home Depot will maintain a compliance program to ensure compliance with the Consumer Product Safety Act (CPSA), including a program for the appropriate disposal of recalled products. Home Depot will also maintain a system of internal controls and procedures.

Home Depot's settlement of this matter does not constitute an admission by Home Depot, or a determination by the Commission, that Home Depot knowingly violated the CPSA.

The Commission voted 4 to 1 to accept the settlement provisionally. Acting Chairman Ann Marie Buerkle voted to accept a lower penalty.

# Product Recall – Home Depot Civil Penalty Agreement (Cont'd)

Home Depot Agrees to Pay \$5.7 Million Civil Penalty, Maintain Compliance Program for... Page 4 of 4

The U.S. Consumer Product Safety Commission is charged with protecting the public from unreasonable risks of injury or death associated with the use of thousands of types of consumer products under the agency's jurisdiction. Deaths, injuries, and property damage from consumer product incidents cost the nation more than \$1 trillion annually. CPSC is committed to protecting consumers and families from products that pose a fire, electrical, chemical or mechanical hazard. CPSC's work to help ensure the safety of consumer products - such as toys, cribs, power tools, cigarette lighters and household chemicals — contributed to a decline in the rate of deaths and injuries associated with consumer products over the past 40 years.

Federal law bars any person from selling products subject to a publicly-announced voluntary recall by a manufacturer or a mandatory recall ordered by the Commission.

To report a dangerous product or a product-related injury go online to [www.SaferProducts.gov](http://www.SaferProducts.gov) or call CPSC's Hotline at 800-638-2772 or teletypewriter at 301-595-7054 for the hearing impaired. Consumers can obtain news release and recall information at [www.cpsc.gov](http://www.cpsc.gov), on Twitter @USCPSC or by subscribing to CPSC's free e-mail newsletters.

#### Media Contact

Please use the below phone number for all media requests.

**Phone: (301) 504-7908**

**Spanish: (301) 504-7800**

[View CPSC contacts for specific areas of expertise](#)

# References

- **Keynote speech- Mr Howard Tarnoff of CPSC at IEEE PSES:2016;**
- **OSHA web site**
- **ISO 10393**