

Avoid CPSC Fines: Implement a Product Safety Program

3/18/2010

[Christopher J. Predko](#)

Does your company have a Product Safety/Compliance Program in place? This sort of formal safety program has taken on added importance, according to a rule released this week by the Consumer Product Safety Commission (CPSC).

Under the Consumer Product Safety Improvement Act of 2008 (CPSIA), the CPSC may now levy fines up to \$100,000 for each violation and \$15 million for a series of related violations. The CPSC, which has stepped up enforcement and handed down record fines in the last two years, announced on March 16 approval of a final rule that outlines the factors it will consider when determining penalty amounts. Chief among them is whether a company has a Product Safety/Compliance Program.

In approving the new penalty factor rule, CPSC Chairman Inez Tenenbaum stressed the importance of formal safety programs:

The safety/compliance program factor takes into account the extent to which a person (including an importer of goods) has sound, effective programs/systems in place to ensure that the products he makes, sells or distributes are safe. Having effective safety programs dramatically lessens the likelihood that a person will have to worry about the application of this civil penalty rule.

In short, having a formal Product Safety Program may not only help you avoid distribution of unsafe products, but also help you avoid or lessen CPSC penalties in the event a product issue arises.

Warner Norcross & Judd's Consumer Product Safety Group is preparing Product Safety Programs and actively advising clients regarding CPSIA compliance. If you have questions about Product Safety Programs, or other product regulation issues, please contact Chris Predko, chair of the Consumer Product Safety Group (616.752.2190 or cpredko@wnj.com).