General Electric Agrees to $3.5 Million Civil Penalty, Internal Compliance Program for Failure to Report Defective Ranges and Dishwashers

Recalled GE dishwashers and ranges were involved in at least five reported fires.

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WASHINGTON, D.C. – The U.S. Consumer Product Safety Commission (CPSC) is announcing that General Electric Co., of Fairfield, Conn., has agreed to pay a $3.5 million civil penalty.

The settlement resolves CPSC staff’s charges that GE knowingly failed to report to CPSC as required by law defects and an unreasonable risk of serious injury concerning two models of Profile freestanding dual-fuel ranges and various models of Profile and Monogram dishwashers.

CPSC staff charged that the connector in the range’s wire harness can overheat, posing fire and burn hazards.

GE sold the ranges nationwide between June 2002 and December 2005 for $1,300 to $2,000.

In April 2009, GE and CPSC announced the recall of 28,000 dual-fuel ranges. GE did not report the hazards with the ranges to CPSC until February 2009. By then, GE had received 13 reports of harness and wiring overheating in the back of the range, including five fires. GE received notice of the hazard in 2004.

CPSC staff also charged that various models of Profile and Monogram dishwashers can short circuit from condensation building up on the control board, which poses fire and burn hazards.

The dishwashers were sold through department and appliance stores nationwide between July 2003 and October 2010 for $750 to $1,400. GE did not report the hazard with the dishwashers to CPSC until September 2010. By then, GE had received several reports of fires that had occurred due to overheated control panels, including a report received in 2007, and the company had paid out settlements to consumers based on these reports. In October 2010, GE and CPSC announced the recall of about 174,000 dishwashers.

Federal law requires manufacturers, distributors, and retailers to report to CPSC immediately (generally within 24 hours), after obtaining information reasonably supporting the conclusion that a product contains a defect which could create a substantial product hazard, creates an unreasonable risk of serious injury or death, or fails to comply with any consumer product safety rule or any other rule, regulation, standard, or ban enforced by CPSC.

In addition to paying the $3.5 million civil penalty, General Electric has agreed that GE Appliances will maintain a compliance program designed to ensure compliance with Section 15(b) of the Consumer Product Safety Act and a system of internal controls and procedures that includes:

- procedures for recording, processing and reporting information regarding potential safety issues;
- written standards and policies;
- confidential employee reporting of compliance concerns to a senior manager;
- effective communication of compliance policies and procedures, including training;
- senior management responsibility for, and general board oversight of compliance; and
- requirements for record retention.

In agreeing to the settlement, General Electric did not admit to CPSC staff’s charges that its ranges or dishwashers contained a defect which could create a substantial product hazard or created an unreasonable risk of serious injury or death, or that the company failed to notify the Commission in a timely manner, in accordance with the reporting requirements of the Consumer Product Safety Act.

The penalty agreement has been accepted provisionally by the Commission following a 4 to 1 vote.

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 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, on Twitter @USCPSC or by subscribing to CPSC's free e-mail newsletters.