

Buckle Up! Course Set for Higher CPSC Civil Penalties

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In a statement regarding the \$450,000 settlement between the Consumer Product Safety Commission and Hewlett-Packard, the CPSC Chairman signaled an expected increase in the civil penalty amounts the Commission would seek for untimely reports. The Consumer Product Safety Improvement Act (CPSIA) raised the civil penalty cap to \$15 million, over a \$13 million increase. As a result, companies can expect more aggressive positions from the CPSC in settlement negotiations.

Kelley Drye partner [Christie Thompson](#) urges companies to take steps to minimize civil penalty exposure by (1) developing a strong compliance program, (2) ensuring that product testing conforms with protocols and that incident reports don't contradict results, (3) executing agreements with third-party suppliers, and by (4) contacting CPSC before being contacted by CPSC. The author stresses, furthermore, that companies should *not* view penalties as the cost of doing business. Now more than ever, companies should take seriously the CPSC's mantra: "when in doubt, report."