

# Crisis Control Newsletter



Crisis Control Newsletter from RQA, Inc. - A Catlin Preferred Provider to  
Foodservice, Food Processing and Consumer Products Industries

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## Product Recall Affect on Consumer Confidence

Amid the constant wave of high profile product recalls in the last few years, consumers are losing confidence in the safety of our food supply. Due to these recalls, product and brand loyalty can disappear in the blink of an eye. A study by Deloitte, LLP in October 2008 found that consumers are losing patience with product recalls. More than half of the consumers surveyed changed their buying habits for nine months or more after a product recall and indicated they are more likely to stop buying that product or brand altogether.

Consumers expect the food supply to be safe without worry of possible injury, illness or even death in consuming these products. There is utmost concern for products imported from other countries where safety standards may not be as stringent as those we expect from own country. People want to know what is in the food they eat and the source of those ingredients. For these reasons, consumers have put pressure on companies and governing agencies to pass regulations that give them more information on the products they purchase. A few examples are the Nutritional Labeling and Education Act (NLEA) of 1990 and the Country of Origin Labeling (COOL) final rule, effective March 16, 2009.

When consumer confidence slips, companies feel the impact to their bottom lines. Not only can companies lose millions of dollars in tangible recall costs, but they may also lose millions in lost revenue due to the brand damage a product recall can cause. Even companies whose products are not within the scope of the recall feel the impact of the change in consumer buying habits. Once consumer confidence is lost, a company has to implement a strategy to build that loyalty and trust again. This may be done through marketing efforts, change in product packaging, obtaining quality certifications, etc.

Because of the high stakes involved, many companies are reviewing and expanding their operating and safety standards and are hiring third-party firms to audit their product safety, quality and recall procedures in order to mitigate the risk of product recalls. By implementing protocols to improve and ensure product safety, a company can protect their brands and their company image. More importantly, the company demonstrates its diligence in putting the well-being of the consumer first; and by doing so, they hopefully may once again regain the confidence of consumers.

By: Carol Kozlowski, CPIM, Manager, Crisis Management, RQA, Inc.

## Table 1– High Volume Foodborne Illness Outbreaks/Recalls in Recent Years

### 2009

Salmonellosis in peanut butter and paste has become "one of the nation's worst known outbreaks of foodborne disease" in recent years. Nine are believed to have died and an estimated 22,500 were sickened. Criminal negligence has been alleged. The product was in turn used by dozens of other manufacturers in thousands of other products which have had to be recalled.

### 2008

- The Chinese milk adulterated with melamine scandal caused over 290,000 illnesses, 51,900 hospitalized and 3 official deaths in China according to the Ministry of Health. Additionally, melamine tainted products caused widespread recall of products and ban of Chinese import of milk products across the globe.
- The rare *Salmonella* Saintpaul serotype caused at least 1017 cases of salmonellosis food poisoning in 41 states throughout the United States, the District of Columbia, and Canada. The U.S. FDA has taken action consistent with the CDC that the *Salmonella* SaintPaul outbreak appears to be caused by contaminated jalapeño peppers and Serrano peppers grown in Mexico. If applying a previous CDC estimated ratio of non-reported salmonellosis cases to reported cases, one would arrive at an estimated 40,273 illnesses from this outbreak.

### 2007

- 152 cases of *Salmonella* poisoning in 31 states were linked to the consumption of pot pies.
- As of 2007, *E. coli* O157:H7 in ground beef from a New Jersey company was the 2nd-largest beef recall in U.S. history, involving 21.7 million pounds of frozen ground beef.
- *Salmonella* in peanut butter found in 44 States caused 425 cases of illness. The CDC said it is believed to be the first *Salmonella* outbreak associated with peanut butter in U.S. history.

### 2006

*E. coli* O157:H7 in bagged spinach caused 3 deaths and 198 illnesses across 25 US States and 1 illness in Ontario.

Sources: NY Times, CDC, Wall Street Journal

## Recall Re-Caps

**Product:** Dried Yellow Potato  
**Incident:** Undeclared Allergen - Sulfites  
**Date:** February 27, 2009

A Secaucus, NJ firm is recalling packages of dried yellow potatoes from Peru because they contain undeclared sulfites. Consumers who have sensitivity to sulfites run the risk of serious or life-threatening allergic reactions if they consume this product. The consumption of 10 milligrams of sulfites per serving has been reported to elicit severe reactions in some asthmatics, and anaphylactic shock could occur in certain sulfite sensitive individuals. The product is packaged in 12 ounce plastic bags; all production lot codes are affected, and the product has been distributed nationwide. The recall was initiated after routine sampling by State and local inspectors and subsequent analysis of the product by a food laboratory. No illnesses have been reported to date in connection with this problem. Consumers who have purchased these dried yellow potatoes are urged to contact the company for a full refund.

**Product:** Frozen Chicken Products  
**Incident:** Pathogen - *Salmonella*  
**Date:** February 4, 2009

A West Chester, PA firm is recalling approximately 983,700 pounds of frozen chicken entrees, distributed nationwide, because they contain peanut products recalled for *Salmonella* by a Blakely, GA corporation. The recall is in response to the widespread recall involving all peanut products produced since 2007 by the Blakely, GA company. These products could still be in consumers' freezers and it is important that consumers look for and return or discard them. Consumption of food contaminated with *Salmonella* can cause *salmonellosis*, an infection that can be life-threatening, especially to infants, the elderly and those with weak immune systems. The most common symptoms are diarrhea, abdominal cramps, and fever within 8 to 72 hours. Additional symptoms may be chills, headache, nausea and vomiting that can last up to 7 days. FSIS has received no reports of illnesses associated with consumption of these frozen chicken products.

**Product:** Bicycle Front Wheel Rims  
**Incident:** Hazard – Fall/Crash  
**Date:** February 4, 2009

A Haverhill, MA importer is recalling approximately 12,000 bicycles with front wheel rims made in France. They were sold as original equipment on various bicycle brands and were also sold separately at specialty bicycle retailers from May 2007 through December 2008. The spokes on the bicycle's front wheel rim can break during use, posing a fall and crash hazard to riders. The importing company has received one report of an injury involving broken teeth. Consumers should stop using bicycles with the recalled front wheel rims and contact the bicycle retailer for a free replacement front rim. Consumers may call the company for more information.

Sources – [www.fda.gov](http://www.fda.gov), [www.usda.gov](http://www.usda.gov), [www.cpsc.gov](http://www.cpsc.gov)

Recall Matters is a newsletter jointly published by RQA, Inc. and Catlin Group. For more information about these topics and more, please contact:

Melanie Neumann, Esq.  
 VP Crisis Management & General Counsel  
 RQA, Inc.  
 Phone: 708-364-8957  
 Email: [m.neumann@rqa-inc.com](mailto:m.neumann@rqa-inc.com)  
 Please visit: [www.rqa-inc.com](http://www.rqa-inc.com)

**Product:** White Herring  
**Incident:** Botulism Poisoning Risk  
**Date:** February 23, 2009

A Brooklyn, NY firm is recalling white herring that is a product of China because the product was found to be unviscerated. The recalled white herring was distributed in New York State in uncoded, 16 oz. clear plastic bags. The recall was initiated after routine sampling by State inspectors and subsequent analysis of the product by a food laboratory. Unviscerated fish have been linked to outbreaks of botulism poisoning. This product may be contaminated with *Clostridium botulinum* spores, which can cause botulism, a serious and potentially fatal food-borne illness. Symptoms of botulism include blurred or double vision, general weakness, poor reflexes, difficulty in swallowing and respiratory paralysis. No illnesses have been reported to date in connection with this problem. Consumers that have purchased white herring are advised not to eat it and should return it to the place of purchase.

**Product:** Frozen Ground Chicken Products  
**Incident:** Foreign Material  
**Date:** February 27, 2009

A Kent, WA establishment is recalling approximately 13,776 pounds of frozen ground chicken products that may contain foreign materials. 16-ounce packages of chile lime chicken burgers with the date code "3158" embossed on the side of the box are being recalled. The products were produced on Nov. 10, 2008 and were distributed to supermarkets nationwide. The problem was discovered after the company received consumer complaints about finding pieces of plastic and bone material in the product. FSIS has not received any consumer complaints or reports of injury at this time. Anyone concerned about an injury from consumption of the products should contact a physician.

**Product:** Compound Bows  
**Incident:** Hazard – Lacerations, Abrasions, Contusions  
**Date:** February 18, 2009

A Eugene, OR firm is recalling approximately 8,000 compound bows because the ends of the bow's limbs can unexpectedly break during use and send fragments of the bow in the direction of the user or bystanders, posing a risk of injury. The firm has received 255 reports of the bow's limbs breaking, including 11 reports of lacerations, abrasions, or contusions when pieces from the breaking bow struck the user. These bows were sold at authorized dealers nationwide from September 2007 through July 2008. Consumers should immediately stop using the recalled bows and contact the dealer to schedule a free repair.

Catlin Contacts:  
 London, UK  
 Neil Evans ([neil.evans@catlin.com](mailto:neil.evans@catlin.com))  
 David Burke ([david.burke@catlin.com](mailto:david.burke@catlin.com))  
 Stuart Allen ([stuart.allen@catlin.com](mailto:stuart.allen@catlin.com))  
 Ian Bailey ([ian.bailey@catlin.com](mailto:ian.bailey@catlin.com))  
 Or email [CrisisManagement@catlin.com](mailto:CrisisManagement@catlin.com)

Hartford, US  
 Florian Beerli ([florian.beerli@catlin.com](mailto:florian.beerli@catlin.com))

Please visit: [www.catlin.com](http://www.catlin.com)