

Crisis Control Newsletter



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

January 2011
Volume U0111 Issue 1

New Year Opens with New Laws, Regulations and Reporting Requirements

Clients, brokers and underwriters closely monitor changes in the regulatory environment relating to consumer safety. Some of the more important issues currently facing the industry are an array of new laws and regulations.

The Food Safety Modernization Act – after numerous stops and starts, President Obama signed the legislation into law on January 4, 2011. The legislation, which FDA experts say transforms the food safety system, gives the FDA a mandate to pursue a system that is based on science and addresses hazards from farm to table, putting greater emphasis on preventing food-borne illness. Under the provisions of FSMA, companies will be required to develop and implement written food safety plans, FDA will have the authority to better respond and require recalls when food safety problems occur, and FDA will be able to better ensure that imported foods are as safe for consumers as foods produced in the U.S.

Mandatory Lead Testing Requirements - Coming in February, new requirements for lead testing in many children's products are to begin. Third party testing and certification for lead content will be required for children's products manufactured after February 10th.

New Crib Standards - New mandatory standards for cribs as mandated by the Consumer Product Safety Improvement Act of 2008 (CPSIA) are also being enacted. Once they become effective, the mandatory crib standards will: (1) stop the manufacture and sale of dangerous, traditional drop-side cribs; (2) make mattress supports stronger; (3) make crib hardware more durable; and (4) make safety testing more rigorous. CPSC has recalled more than 11 million dangerous cribs since 2007. Effective June 2011, cribs manufactured, sold, or leased in the United States must comply with the new federal standards.

Redesigned CPSC Website - The Consumer Product Safety Commission has launched its redesigned website and is preparing to release its "dangerous products database" in the Spring of 2011. The redesigned website and database will make it much easier and faster for consumers to locate and report unsafe products. The redesign offers business users easy access to find the laws, regulations, standards and guidance that affect their products. The dangerous products database was originally required in the Consumer Products Safety Improvement Act of 2008 and was prompted by a rash of recalls related to unsafe children's products.

It is important for clients and underwriters alike to monitor regulatory changes and make the necessary adjustments to their risk management programs to properly address those changes. Pre-incident planning, insurance coverage and crisis response each plan an important role in the risk management of product safety.

Recall Statistics for 2010

Product recalls happen almost daily but the public usually only hears about the more serious recalls. From defective gas pedals to baby slings to pathogen tainted foods, recalls continue to be broadcast on the Internet, on the news and in the papers.

The year 2010 had its share of food and consumer product recalls. Many of these recalls were publicized nationwide and across borders. As seen in the chart below, 2010 had a consistent flow of recalls reported by the food and consumer products regulatory agencies in both the United States and Canada.

2010 Recalls by Month

Month	FDA*	USDA	CPSC	CFIA	Health Canada
Jan	12	5	36	22	24
Feb	23	7	24	28	30
Mar	55	9	41	64	23
Apr	16	5	37	24	29
May	17	9	42	29	24
Jun	19	9	42	36	33
Jul	26	3	25	40	34
Aug	41	4	25	29	27
Sep	16	3	37	31	23
Oct	14	4	34	42	11
Nov	21	4	29	59	18
Dec	19	9	31	78	18

Totals	279	71	403	482	294
---------------	------------	-----------	------------	------------	------------

FDA*—Food and Drug Administration, numbers excluding drugs and medical devices

USDA—United States Department of Agriculture

CPSC—Consumer Products Safety Commission

CFIA—Canadian Food Inspection Agency

Health Canada—(consumer products)


Food and Drug Administration Recalls (www.fda.gov)

Product: Ginger Bread Houses
Incident: Possible Health Risk—*S. aureus*

An Austin, TX retailer is recalling assembled Ginger Bread Houses sold in twenty-two states (AR, CO, CT, IL, IN, FL, KS, LA, ME, MA, MI, MN, MO, NE, NJ, NM, NY, OK, RI, TX, UT, WI) that came from its Lincolnwood, IL supplier. The recalled ginger bread houses may have been assembled, decorated and packaged in clear plastic wrap and sold with the retailer's/supplier's labels as part of the description. This recall includes all ginger bread houses made after Nov. 1, 2010. Products produced by this supplier have been connected to several outbreaks of *Staphylococcus aureus* (*S. aureus*) food poisoning. A food item contaminated with *S. aureus*, can cause nausea, vomiting, stomach cramps and diarrhea. Consumers should not eat the ginger bread houses and should dispose of them in a sealed container. No illnesses have been reported by consumers eating these houses. Consumers that have the recalled products should return them to the retailer for a refund. Those with questions should contact the retailer.

Product: Dips and Spreads
Incident: Possible Health Risk—*Listeria monocytogenes*

A Tucker, GA company is voluntarily recalling two flavors of its 7 ounce clear plastic containers of dip because they have the potential to be contaminated with *Listeria monocytogenes*. The recalled Dips and Spreads were distributed in retail stores in NC, SC, TN, GA and VA. The potential for contamination was noted after routine testing by the company revealed the presence of *Listeria monocytogenes* in these 7 ounce containers. So far, there have not been any reports of illnesses in connection with this problem. Production of the product has been suspended while investigation of the source is being conducted. Consumers who have purchased either product should not consume them and are urged to return them to the place of purchase for a full refund. Consumers with further questions should contact the company directly for further instructions.


United States Department of Agriculture Recalls (www.usda.gov)

Product: Canned Chicken Salad
Incident: Possible Health Risk—*Foreign Materials*

A Sycamore, IL establishment is recalling approximately 72,000 pounds of canned chicken salad products that may contain foreign materials. The products subject to recall include 8.2-ounce lunch kit packages, which contain a 2.9-ounce can of chicken salad along with crackers, mixed fruit, a cookie and a spoon. The package label indicates the product is "Mixed and Ready to Eat". Also included in the recall are 3.5-ounce packages including a 2.9-ounce can of chicken salad with crackers. The package label indicates the product is "Ready to Eat". The chicken salad products were assembled between Aug 14 and Aug 28, 2010 and shipped to distributors and retail stores nationwide. The problem was discovered after consumer complaints about finding hard plastic in the product. FSIS has not received any reports of injury. Consumers and media with questions regarding this recall should contact the company.

Product: Chicken Tamales
Incident: Possible Health Risk—*Undeclared Allergen*

A Lawndale, CA establishment is recalling approximately 41,670 pounds of chicken tamales because they contain an undeclared allergen, whey. Whey is a known allergen, which is not declared on the label. The chicken tamales were produced between February 2010 and December 2010 and sold in 15-lb. boxes with 48 tamales wrapped in rice paper in 5-ounce packages. These products were distributed to restaurants in California. The problem was discovered by FSIS during a routine inspection. There have not been any reports of adverse reactions due to consumption of these products. Individuals concerned about an allergic reaction should contact a physician. Consumers and media with questions regarding this recall should contact the company.


Consumer Product Safety Commission Recalls (www.cpsc.gov)

Product: Electric Heaters
Incident: Hazard—*Fire and Burn*

A Bentonville, AR importer/retailer is voluntarily recalling about 2.2 million 1500 watt electric heaters manufactured in China. These heaters were distributed at the retailer nationwide between December 2001 and October 2009. The heaters are grey with a metal handle on the top with vents and grey control knobs on the front. The heaters can malfunction resulting in over heating, smoking, burning, melting and fire. The retailer has received 21 reports of incidents, which included 11 reports of property damage beyond the heater. Injuries were reported in four incidents, three of which required medical attention for minor burns and smoke inhalation. The remaining incidents included smoke irritation, sparking or property damage beyond the heater. Consumers should immediately stop using the recalled heaters and return them for a full refund. For additional information, consumers can contact the company or visit the company's website.

Product: Ceramic Piggy and Lion Banks
Incident: Hazard—*Excessive Lead Levels*

A Omaha, NE importer in cooperation with the CPSC is recalling approximately 220,000 ceramic piggy and lion banks. These banks were manufactured in China and sold through websites and by catalogs nationwide from February 2003 through September 2010. The recalled piggy bank is shaped like a pig and the body of the piggy bank is painted yellow with floral designs. The ceramic lion bank is shaped like a lion and is painted yellow with a brown mane. The yellow surface paint on the banks contain excessive levels of lead which is prohibited under federal law. Only yellow banks with black plastic stoppers in the bottoms of the banks are being recalled. There have not been any reports of injuries. Consumers should immediately take these recalled banks away from children, discard them and contact the company to receive a full refund or credit. For more information, contact the company or visit their website.

Crisis Control is a newsletter jointly published by RQA, Inc. & Catlin Group.

For more information about these topics and more, please contact:

Carol Kozlowski, CPIM
 Manager of Crisis Management, RQA, Inc.
 Phone: 708-364-8950, x129
 Email: c.kozlowski@rqa-inc.com



www.rqa-inc.com

London, UK:
Neil Evans: neil.evans@catlin.com
David Burke: david.burke@catlin.com
Stuart Allen: stuart.allen@catlin.com
Ian Bailey: ian.bailey@catlin.com
Email: CrisisManagement@catlin.com
Atlanta, US:
Jamie Hall: jamie.hall@catlin.com

CATLIN

www.catlin.com