

[Products Liability Law Daily Wrap Up, TOP STORY—SETTLEMENT AGREEMENTS—Costco shoulders \\$3.85 million civil penalty for failure to report defective trash cans, \(Oct. 5, 2018\)](#)

Products Liability Law Daily Wrap Up

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By Colleen Kave, J.D.

The Consumer Product Safety Commission (CPSC) today announced that Costco Wholesale, Corporation (Costco), of Issaquah, Washington, has agreed to a \$3.85 million civil penalty to settle charges that the company knowingly failed to report to CPSC, as required by law, that EKO Sensible Eco Living Trash Cans (EKO Trash Cans) contained a defect or created an unreasonable risk of serious injury. The agreement, which was provisionally accepted by CPSC by a vote of 4 to 0, was entered into for purposes of settlement only and did not constitute an admission by Costco of CPSC staff's charges ([In the Matter of Costco Wholesale Corporation](#), CPSC Docket No.: 19-C0001, October 3, 2018; [83 FR 50647](#), October 9, 2018).

According to a [press release](#), CPSC staff charged that the black plastic protective collar in the opening on the back of the EKO Trash Can receptacle can become dislodged and expose a sharp edge, posing a laceration hazard to consumers. Costco received 92 complaints about the EKO Trash Cans, including 60 complaints from consumers who received injuries, some serious, but did not notify the CPSC immediately of the defect or risk.

In July 2015, CPSC announced a [recall](#) with the manufacturer of 367,000 EKO Trash Cans. Costco sold the EKO Trash Cans nationwide between December 2013 and May 2015, for about \$50.

In addition to satisfying the \$3.85 million civil penalty, Costco has agreed to maintain a compliance program designed to achieve compliance with the Consumer Product Safety Act and a system of internal controls and procedures to ensure timely reporting in the future.

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