



COUNTY OF FRESNO

Lisa A. Smittcamp
District Attorney

NEWS RELEASE

FOR IMMEDIATE RELEASE
March 19, 2018

DISTRICT ATTORNEY ANNOUNCES \$500,000 SETTLEMENT WITH COSTCO AND SAN FRANCISCO BAY GOURMET COFFEE OVER SALES OF PLASTIC COFFEE PODS

Fresno County District Attorney Lisa Smittcamp announced today that her office, along with 24 other District Attorney's Offices in California, settled a consumer protection action against Costco Wholesale Corporation, Inc. and JBR, Inc., a coffee company headquartered in Roseville, California, which does business as San Francisco Bay Gourmet Coffee and the Rogers Family Company. The settlement was based on allegations that the companies sold plastic coffee pods, labeled with untrue and misleading marketing claims, including statements related to biodegradability and compostability. A stipulated final judgment settling the matter, that had been filed in Alameda County, was issued by Alameda County Superior Court Judge Morris Jacobson.

The judgment prohibits Costco and JBR, Inc. from selling the plastic coffee pods if labeled "biodegradable." The companies are also prohibited from selling them if labeled "compostable" unless a scientific certification supports the claim.

Additionally, the companies agreed to jointly pay a total of \$500,000 in civil penalties and costs.

Plastic waste can take up to a thousand years to decompose, depending on the environment in which it's disposed. Landfills, in particular, tend to mummify trash rather than biodegrade it, since decomposition requires sunlight, moisture, and oxygen. Plastic waste will only decompose in municipal composting facilities if the plastic meets certain scientific standards. Because the California Legislature was concerned that a growing number of marketers sought to promote the sale of disposable plastic products using misleading claims of biodegradability and compostability, it passed laws relating to the sale of plastic products bearing such claims.

California Law imposes an outright ban on the sale of plastics labeled "biodegradable" (or labeled with similar language). The Legislature found such claims are inherently misleading without thorough disclaimers regarding how quickly the product will biodegrade in a landfill or in other environments where it may be disposed. The Legislature also prohibited the sale of plastic products labeled "compostable" – unless the product passes a specified scientific test that to ensure the plastic will break down in a commercial composting facility.

San Francisco Bay Gourmet Coffee's plastic coffee pods and the plastic bags containing the pods were labeled as "97% biodegradable" and "biodegradable," despite the legal ban regarding the sale of such products. Further, the company marketed the plastic coffee pods as compostable when the pod had not met compostability standards. The company also labeled its "Onecup" coffee pods as "No Plastic Cup," when the ring, mesh, and part of the lid were all made of plant-based plastic.

The Fresno County District Attorney's Consumer Fraud & Environmental Protection Unit is a member of a statewide "Greenwashing" Task Force, which investigated and filed the action on behalf of consumers in their respective counties.

The Media may email FCDAMedia@co.fresno.ca.us or contact Administrative Assistant Leslie Gillespie at (559) 600-4442 with questions.
