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California Beverage Container Recycling and Litter Reduction Act/Department of Resources Recycling and Recovery: \$3.6 Million Administrative Action Filed Against CVS Pharmacy, Inc., for Alleged Failure to Redeem Bottle and Can Deposits

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The California Department of Resources Recycling and Recovery (“CalRecycle”) filed an administrative enforcement action (styled as an “Accusation”) against CVS Health Corporation and CVS Pharmacy, Inc., (collectively “CVS”) for allegedly violating the California Beverage Container Recycling and Litter Reduction Act (“Act”). See DRRR Case No. 2019-002-BCR.

CalRecycle action alleges that CVS failed to meet its obligation to redeem deposits on recycled bottles and cans at certain of its California retail stores.

The Act requires that retailers located in “convenience zones” that are not served by a recycling center redeem California Redemption Value (“CRV”) containers in store or pay a \$100 fee. It applies to retail establishments that fit within the scope of the term “dealer.” A dealer is a retail establishment which offers the sale of beverages in beverage containers to customers.

A “convenience zone” is the area within a one-half mile radius of a supermarket or an area in a rural region designated by CalRecycle upon petition by an interested party. A convenience zone is required to have within its boundaries at least one certified recycling center that redeems all types of CRV containers. These recycling centers are stated to provide opportunities for consumers to redeem beverage containers near where they are purchased.

CalRecycle alleges that it identified 81 CVS dealers/stores in “unserved, nonexempt convenience zones during the time relevant to this Accusation.” These dealers/stores were alleged to be out of compliance with the Act by failing to pay CalRecycle the sum of \$100 per day for each of the CVS dealer locations or continue to be situated in unserved convenience stores, and failed or continued to fail to redeem in-store. It is further alleged that as of October 31, 2019, there were 18,290 days of nonpayment of \$100 per day to CalRecycle for all the dealer locations that have been identified in the Accusation. The Accusation alleges that CVS is liable for \$3,669,793.63 penalties, costs and unpaid fees.

A copy of the Administrative Accusation can be downloaded [here](#).