

COSTCO FOUND LIABLE FOR HARASSMENT BASED ON THE CONDUCT OF ITS CUSTOMER

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Costco Found Liable for “Third-Party Harassment” – Failing to Adequately Protect its Employee from Sexual Harassment by a Customer.

In a decision that has significance for retailers and employers whose employees have meaningful customer contact, the U.S. Court of Appeals for the Seventh Circuit, in the case *Equal Employment Opportunity Commission v. Costco* upheld a \$250,000 verdict against Costco because it failed to protect its employee from a harassing customer. Broadly, the decision underscores the importance for retailers and employers of taking and documenting appropriate measures after being made aware of harassment of an employee by a customer, and the potential liability inherent in failing to do so.

To read the full client alert, please click [here](#).

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Labor and Employment

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