



## Costco lawsuit aims to pressure change in Thai shrimp industry

TIP report 'highlights why this case is needed,' plaintiff attorney tells **IntraFish**.

Kim Tran

Published: 26.08.2015 15:10 Updated: 26.08.2015 17:12

A recently-filed class action lawsuit aims to raise awareness and advocate change in the Thai shrimp industry, particularly issues surrounding human rights abuses within the supply chain, according to attorneys representing the plaintiff in the case.

California resident Monica Sud filed the lawsuit in a San Francisco federal court **last week against Costco** Wholesale for selling farmed Thai shrimp and misleading US consumers allegedly over the origins of its supply chain and its connections with Thai slave labor. The lawsuit also names shrimp supplier CP Food Products Inc., and its Thai-based parent company Charoen Pokphand Foods Public Company Ltd.

This suit comes on the heels of **last month's US Trafficking In Persons (TIP) Report** released by the US State Department, which kept Thailand at the Tier 3 status -- the lowest ranking any country can hold.

The report "highlights why this case is needed," said Anne Marie Murphy of Cotchett, Pitre & McCarthy, LLP, representing Sud.

"Thailand has not been making the needed improvements," she told **IntraFish**. "That is one of the motivating factors behind this case. We want to bring about change through the marketplace."

The proposed class action is for California consumers who purchased frozen Thai shrimp products from Costco. Murphy expects "there will be other litigations that will involve other states or other corporate defendants who have similar issues with tainted shrimp in the supply chain."

"A very important part of this case is that the plaintiff seeks injunctive relief against continued conduct or sales of the tainted shrimp" by Costco and CP Foods, she said.

### Associated Articles

- Costco sued for allegedly selling Thai shrimp from slave labor
- Thai industry expects no impact from TIP rating
- Thailand remains at Tier-3 level in new US trafficking report

Murphy told **IntraFish** the plaintiffs have two goals with this lawsuit: publicity and corporate reform. With CP Foods and Costco both being beneficiaries of the slave trade, consumers are not getting what they are paying for.

"[S]hip owners who operate the illegal slave trade rely upon this form of servitude and slavery to offset higher fuel and other costs," the suit stated. "By refusing to pay laborers, the suppliers are able to maximize profit margins. CP Foods is able to increase its profits by keeping its supply costs down. Costco also benefits by maximizing its profits in the form of increased sales of prawns."

Costco's continued sales of CP Foods products is in violation of its own public statements that it does not tolerate slavery or human trafficking in its supply chain, the documents allege.

"Consumers and companies such as Costco have a lot of sway in forcing change, but that hasn't been happening and it should," Murphy told **IntraFish**.

Court documents state Costco is one of the largest companies in the world and "can dictate the terms by which prawns are produced and supplied to it. This includes the labor conditions in the supply chain.

"Because of their economic power in the region and their supplier/buyer agreements, Costco and CP Foods have the ability to control the labor conditions on prawns boats and to end the use of slave labor," the suit claims.

However, analysts at [Asia Plus Securities](#) recently stated that "this lawsuit would only have a psychological effect, no actual effect on (CP Foods) CPF's earnings since Costco has not halted its shrimp import from CPF yet."

The class-action lawsuit may apply to the "millions of purchasers of farmed prawns in California." Sud filed three claims of relief. The first is against the three companies for unlawful business acts and practices.

The second and third claims are against Costco for misleading and deceptive advertising as well as violation of the Consumer Legal Remedies Act for "selling prawns that are the product of slave labor, were and are unfair methods of competition and unfair or deceptive acts and practices."

---