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CONSUMERS SUE COSTCO, ALLEGING COMPANY MISLED MEMBERS ABOUT CHILD AND FORCED LABOR PREVENTION EFFORTS

Proposed class action claims Costco promised members unique supply-chain, oversight and child-labor protections while concealing how several Kirkland Signature products are actually made

PORTLAND, Ore. (Oct. 1, 2026) – Two Oregon consumers have filed a proposed class action lawsuit alleging that Costco Wholesale Corporation sold members a promise of ethical sourcing while concealing labor scandals and investigations tied to suppliers behind its popular Kirkland Signature products. The complaint further alleges that Costco misrepresented both its supply-chain oversight and its power to prohibit child labor.

The lawsuit alleges that Costco repeatedly assured consumers that it prohibits child labor in its supply chains, maintains extensive visibility into the origins of products sold in its warehouses, and exercises extraordinary oversight over Kirkland Signature products. According to the complaint, those representations do not match reality.

At the center of the case is Kirkland Signature, the private-label brand that has become one of the most successful consumer brands in America and a major reason many shoppers choose Costco over other retailers. Costco tells members that Kirkland products are created through a process that gives the company direct insight into sourcing, labor conditions and product development. The lawsuit alleges that many Kirkland products are instead manufactured by outside companies whose identities — and labor scandals — Costco works to keep hidden from consumers.

The complaint identifies the companies alleged to manufacture certain Kirkland products and alleges that some suppliers have been linked through disclosures and independent investigations to labor abuses and supply-chain problems, even as Costco continued marketing its memberships and Kirkland products as ethically sourced and closely monitored.

In explaining her motivations for bringing the lawsuit, Plaintiff Leslie Brunker said, “I have been a Costco member for many years, thinking that their purchasing practices were ethical, as they say they are. I found out that some of the products that Costco sells are sourced from companies that use child labor and other unethical labor practices. I have discontinued my membership in protest not only of these practices but because of Costco lying to its members about them.”

“Consumers increasingly care about how the products they purchase are made and who is making them,” said **Thomas G. Bode Jr.** of Larkins Vacura Kayser, counsel for the plaintiffs. “Costco recognized the value consumers place on ethical sourcing, supply-chain accountability and transparency, and it capitalized on that demand in its marketing. The lawsuit alleges that Costco knowingly failed to deliver on those promises while continuing to profit from them.”

According to the complaint, Costco continued selling products sourced through supply chains associated with well-documented child-labor and forced-labor risks while simultaneously promoting itself as a retailer committed to ethical sourcing and supply-chain transparency.

“For years, Costco has cultivated the idea that Kirkland Signature is different, that Costco knows more and does more than other retailers,” said **John C. Rake** of Larkins Vacura Kayser. “This lawsuit shines a light on some of the hidden companies, supply chains and labor controversies behind Kirkland products that Costco members have never been told about.”

The plaintiffs seek to represent Oregon Costco members and allege that Costco charged a premium for memberships based in part on representations about ethical sourcing, supplier oversight and control over Kirkland Signature products.

Former Oregon DOJ Consumer Protection Prosecutor Joins Litigation Team

The trial team is joined by **Brian de Haan**, who last month joined Larkins Vacura Kayser after serving nearly a decade as a senior assistant attorney general with the Oregon Department of Justice.

While at the Oregon Department of Justice, de Haan prosecuted complex consumer-protection, securities-fraud, financial-misconduct, cryptocurrency, pharmaceutical and public-enforcement matters on behalf of Oregon consumers and taxpayers.

“Consumer preferences can be a powerful force for changing corporate behavior,” de Haan said, “but they only work when consumers aren’t being misled. Oregon law gives consumers the right to make informed choices based on truthful information. This case seeks to ensure that Costco is held accountable for the promises it made and the trust it asked consumers to place in the Kirkland brand.”

About the Case

The lawsuit was filed in the United States District Court for the District of Oregon and alleges violations of Oregon’s Unlawful Trade Practices Act, as well as related claims for restitution and other relief.

The full complaint is available at the firm’s website: <https://lvklaw.com/wp-content/uploads/2026/10/Costco-complaint.pdf>.

For over 25 years, the attorneys of Larkins Vacura Kayser LLP have specialized in the litigation, trial, and appeal of complex commercial litigation, including securities, antitrust, healthcare, and class action litigation. The firm is recognized as a Tier 1 Best Law Firm by U.S. News & World Report and is ranked by Chambers for general commercial litigation in Oregon.

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