Liability Available by the Case at Costco

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A $250,000 jury verdict in federal court in Illinois provides all employers a clear reminder that they have an obligation to protect their employees from the creation of a hostile work environment caused by clients and customers, not just from fellow employees or supervisors.

In denying an employer's motion for summary judgment, and sending the matter to a jury, a federal district court in Illinois held that Title VII of the Civil Rights Act of 1964, which prohibits discrimination on the basis of gender, in turn, protects employees against a hostile work environment "so permeated with discriminatory intimidation, ridicule, and insult that it is sufficiently severe or pervasive to alter the condition of the victim's employment" regardless of whether that hostile environment is caused by another employee, an independent contractor, or even a customer. *U.S. Equal Employment Opportunity Comm'n v. Costco Wholesale Corp.*, 2015 WL 9200560 (N.D. Ill. Dec. 15, 2015)(citing Harris v. Forklift Sys., Inc., 510 U.S. 17, 21 (1993)). Costco received that reminder loud and clear when a jury found it failed to take reasonable steps to prevent a customer from harassing one of its employees, awarded that employee $250,000 in emotional distress damages, and ordered Costco to reimburse her for years of medical bills for psychiatric treatment she allegedly received as a result of the harassment.

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