

FTC news

Federal Trade Commission Washington, D.C. 20580 (202) 326-2180

FOR RELEASE: OCTOBER 14, 1993

WHITE CASTLE AGREES TO SETTLE CHARGES THAT IT MADE MISLEADING "RECYCLABLE" CLAIMS FOR ITS FAST FOOD PACKAGING

White Castle Systems, Inc., a Columbus, Ohio-based chain of fast-food restaurants, has agreed to settle Federal Trade Commission charges that it made false and misleading claims about the recyclability of its food containers. Under the proposed settlement agreement, White Castle would be prohibited from making these or other false or unsubstantiated environmental claims in the future.

According to the FTC's complaint detailing the allegations, White Castle's fast-food paper packaging displays the "three-chasing arrows" -- the widely-recognized symbol for recycling -- along with the word "Recyclable." Thus, the FTC alleged, White Castle has represented that its paper packaging is recyclable after ordinary use.

In fact, according to the FTC, although the paper packaging is capable of being recycled, the vast majority of consumers cannot recycle it because virtually no collection facilities accept food-contaminated paper for recycling. In light of this, the FTC charges that the recyclable representation is false.

The proposed consent agreement to settle these charges, announced today for public comment, would prohibit White Castle from misrepresenting the extent to which any product or package is capable of being recycled, or the extent to which recycling collection programs are available for such products.

The proposed agreement also would prohibit White Castle from making claims about the environmental benefit of its product or packaging it uses unless it possesses competent and reliable evidence to substantiate the claims.

(White Castle--10/14/93)

The five-member Commission vote to accept the proposed agreement for public comment was 5-0. This case was brought by the FTC's Chicago Regional Office.

The proposed consent agreement will be published in the Federal Register shortly. It will be subject to public comment for 60 days, after which the Commission will decide whether or not to make it final. Comments should be addressed to: FTC, Office of the Secretary, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580.

NOTE: A consent agreement is for settlement purposes only and does not constitute an admission of a law violation. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of \$10,000.

Copies of the complaint and proposed consent agreement, an analysis of the agreement to assist the public in commenting, and the FTC's Guidelines for Environmental Marketing Claims, issued in July 1992, are available from the FTC's Public Reference Branch, Room 130, at the above address; 202-326-2222; TTY for the hearing impaired 202-326-2502.

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(FTC File No. 922 3295)

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