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Environmental Alert

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CalRecycle files its first enforcement action under pharmaceutical and sharps EPR program

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CalRecycle's \$3.4M enforcement action alleging pharmaceutical and sharps stewardship violations by Drug Takeback Solutions Foundation raises compliance stakes statewide.



What's the impact?

- The action marks CalRecycle's first enforcement action under California's Pharmaceutical and Sharps Waste Stewardship Act, signalling increased scrutiny and willingness to impose significant penalties.
- Drug Takeback Solutions Foundation ends operations June 30, 2026; participants must shift to another stewardship program or face potential compliance risk.

On February 26, 2026, the California Department of Resources Recycling and Recovery (CalRecycle) announced that it had filed a formal administrative accusation seeking approximately \$3.4 million in penalties against the Drug Takeback Solutions Foundation (the Foundation), a stewardship organization that operates industry-funded pharmaceutical and sharps waste takeback programs in California. This enforcement action comes shortly after the

Foundation notified CalRecycle on January 26, 2026, that it intends to terminate both stewardship programs, with the last day of operations set for June 30, 2026.

Background: California’s Pharmaceutical and Sharps Waste Stewardship Act

California’s Pharmaceutical and Sharps Waste Stewardship Act (Public Resources Code § 42030 et seq.) was enacted in 2018 through SB 212 and establishes an extended producer responsibility (EPR) program, which shifts end-of-life management responsibilities from consumers and local governments to producers. The Act requires “covered entities,” generally manufacturers, to establish and fund stewardship programs for the end-of-life management of covered drugs (i.e., pharmaceuticals) and home-generated sharps waste. Covered entities must implement these programs either independently or through membership in a stewardship organization, defined as a tax-exempt nonprofit organization established by covered entities to develop, implement, and administer a stewardship program.

The Act requires programs to provide free, convenient consumer disposal options for covered drugs and sharps waste and to include comprehensive education and outreach components. Specifically, covered drugs programs must provide collection receptacles at authorized collection sites, and sharps programs must provide sharps waste containers and mail-back materials at the point of sale. CalRecycle oversees and enforces the Act, with the programs currently run by the Foundation and MED-Project.

Under the Act’s enforcement provisions, CalRecycle may impose administrative penalties of up to \$10,000 per day for violations, or up to \$50,000 per day for intentional, knowing, or reckless violations. CalRecycle may also revoke a program operator’s stewardship plan approval, require resubmission of the plan, or require additional reporting upon a written finding that the operator has failed to meet a material requirement of the Act.

The administrative accusation

[CalRecycle’s accusation](#) alleges that the Foundation committed a total of eight violations:

- / failure to implement its covered drugs and sharps stewardship plans within 270 days of approval and failure to meet annual reporting requirements (Counts I and II);
- / failure to comply with the conditions of conditional budget approval for its covered drugs and sharps programs (Counts III and IV);
- / failure to operate its covered drugs and sharps programs in a prudent and responsible manner (Counts V and VI); and
- / failure to pay administrative fees on time (Counts VII and VIII).

In total, CalRecycle seeks penalties of \$1,682,375 for violations related to the covered drugs program and \$1,687,750 for violations related to the sharps program. In addition to monetary penalties, CalRecycle seeks revocation of approvals of both the stewardship plans if the Foundation does not terminate its programs effective June 30, 2026, as the Foundation has notified CalRecycle it intends to do.

Key takeaways for industry stakeholders

This enforcement action is notable as it is the first time an accusation has been brought by CalRecycle under the Pharmaceutical and Sharps Waste Stewardship Act and signals the agency's willingness to pursue substantial penalties for noncompliance. CalRecycle Deputy Director Mark de Bie stated that "California will hold organizations accountable when they fail to meet their obligations to consumers and the law."

Pharmaceutical and sharps manufacturers, distributors, and other covered entities should be aware of the following implications.

First, CalRecycle is actively monitoring program implementation and conducting field inspections to verify that stewardship program requirements—including point-of-sale distribution of sharps containers, education and outreach activities, and website operations—are being fulfilled in practice, not just on paper.

Second, with the Foundation's planned exit from both programs by June 30, 2026, covered entities currently participating through the Foundation will need to either join another stewardship organization, such as MED-Project, or independently establish and implement compliant stewardship programs to avoid penalties.

Third, the Act's penalty structure (up to \$10,000 per day for standard violations and \$50,000 per day for intentional, knowing, or reckless violations) creates significant financial exposure for covered entities and stewardship organizations that fail to meet their statutory obligations.

Fourth, budget compliance and timely payment of administrative fees are treated as material requirements, and failure to meet these obligations can independently support plan revocation and penalties.

Covered entities should review their current stewardship arrangements, assess whether they are in compliance with all program requirements, and evaluate their options in light of the Foundation's planned termination and this enforcement action.

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