

FOR IMMEDIATE RELEASE

Oct. 1, 2026

media@container-recycling.org



Container Recycling Institute Releases First-of-Its-Kind Guidebook to Help Prevent Fraud, Free Riding and Errors in Beverage Container Deposit-Return Systems (DRS)

Comprehensive Guidebook Examines Vulnerabilities Across All 10 U.S. Deposit States and Provides Practical Strategies for Strengthening DRS Programs

CULVER CITY, CA, Oct. 1, 2026 – The [Container Recycling Institute](https://www.container-recycling.org) (CRI), a national nonprofit authority on the economic and environmental impacts of used beverage containers and other consumer product packaging, today released a new guidebook designed to help policymakers, program administrators and other stakeholders prevent, detect and address fraud, free riding and operational errors in beverage container deposit-return systems (DRS, commonly known as bottle bills).

“A Stronger Return on Every Deposit: Strategies to Prevent Beverage Container Fraud, Free Riding, and Errors” is, to CRI’s knowledge, the first comprehensive resource to examine these issues in all 10 U.S. deposit states, while identifying approaches to provide stronger safeguards for DRS programs – which data show are the most effective system for achieving high recycling rates.

The guidebook brings together, in one document, information from various state statutes, regulations, agency reports and other sources; it also provides practical guidance that can be applied across different DRS structures in the U.S. deposit states, rather than focusing on a single state or type of problem. This can help all stakeholders involved in developing, operating or improving DRS programs throughout the U.S. In addition to policymakers and program administrators, these include state and oversight agencies, redemption centers, beverage industry participants and researchers.

Additional Guidebook Highlights (*see end of release for definitions of terms*)

- **Shows how the problems can actually occur** using illustrations and real-world examples to explain how free riding and various forms of fraud and errors can arise within a deposit system. This provides a practical way for policymakers and program administrators to recognize vulnerabilities and consider appropriate safeguards.
- **Draws on the knowledge of leading experts.** A subcommittee of CRI’s Business Advisory Council (BAC) developed the guidebook, with contributions from BAC members and other experts with extensive experience working on deposit systems, fraud prevention, compliance and enforcement. The guidebook also incorporates lessons from successful programs outside of the United States.
- **Identifies practices already being used to prevent and detect problems** by examining approaches in each U.S. deposit state and highlighting practices that may offer useful models for other jurisdictions.

- **Looks beyond prevention to detection, investigation and enforcement** by addressing the full compliance continuum, including legislation, data and reporting systems, auditing, staffing, investigations, penalties and enforcement.
- **Provides a roadmap for stronger DRS programs**, including policy and administrative recommendations, and a framework for effective legislation, that can help states strengthen the accountability, efficiency and long-term success of their programs.
- **Points readers to additional resources** with the inclusion of references to statutes, reports and other sources that provide more information on specific practices and issues.

The guidebook also identifies a broader challenge facing U.S. deposit systems: Differences among state programs can create opportunities for fraud and free riding, particularly when beverage containers and businesses operate across state lines. The guidebook identifies potential problems associated with these differences and offers remedies, while also pointing to the potential benefits of greater consistency among state laws, requirements and operating practices.

“Fraud and free riders are real challenges, but they are solvable ones – and they shouldn’t overshadow the strong performance deposit systems have demonstrated in recovering high-quality recyclable material, reducing litter and returning valuable feedstock to domestic supply chains,” said Americans for Clean Water Executive Director Maia Corbitt, the BAC subcommittee member who initiated the idea for the guidebook. “By understanding where problems have emerged in existing programs and how they’ve been addressed, policymakers have an opportunity to design better systems from the start.”

Devon Horsfield, vice president of Strategy & Outreach at the Oregon Beverage Recycling Cooperative (OBRC) and also a member of the CRI BAC guidebook subcommittee, expanded on this: “Fraud and free riding impose significant costs on deposit systems, reducing the resources available to improve access, convenience and service for consumers. They can also slow the return process and delay refunds, creating unnecessary friction for the people the system is designed to serve.

“This guidebook gives policymakers and system operators practical tools to identify and address these challenges, helping to protect the integrity, efficiency and long-term effectiveness of DRS programs.”

Drawing on U.S. and International Experience

In addition to examining practices in the 10 U.S. deposit states, the guidebook draws on international experience. In particular, the comprehensive **Prevent, Detect, Investigate and Enforce** framework developed by Alberta’s Beverage Container Management Board (BCMB) provides an important model for organizing approaches to fraud prevention and enforcement.

Among the many best practices it covers, the guidebook examines British Columbia’s and Oregon’s digital traceability and record-keeping requirements for bag drop programs. In both jurisdictions, bags have unique codes and tracking numbers that link them to the redeemer, while operators can use real-time reporting to monitor activity. In 2025, Oregon’s BottleDrop® program processed more than 12.95 million bags.

CRI President Susan Collins said, “DRS programs have demonstrated their value in recovering beverage containers and producing high-quality recyclable material. The new guidebook focuses on how we can protect and strengthen that performance by identifying vulnerabilities and providing practical strategies to address them.

“Because every deposit state has its own laws, requirements and operating practices, there is no single solution to every problem,” she added. “Our goal with this guidebook is to identify approaches that have worked, explain how liabilities can arise, and give policymakers and program administrators a range of tools they can use to strengthen their own systems.”

Policy and Administrative Recommendations

Based on research and interviews with experts and other stakeholders, the guidebook presents recommendations to prevent fraud, free riding and operational errors in DRS programs, including a set of policy and administrative recommendations in Chapter 6 and a framework for effective legislation in Chapter 9.

Among the recommendations are:

- Include specific anti-fraud measures in statute when developing a Producer Responsibility Organization (PRO).
- Create a comprehensive plan to address fraud and free riding, with rules and safeguards that guide the behavior of all parties and participants in the system. Ensure that the plan is funded and staffed, and that results are reported publicly on an annual basis.
- Create a centralized data system for real-time tracking and visibility into beverage sales, deposits collected and redemption activity.
- Require deposit initiators to report sales data to a central body and establish mechanisms for auditing those sales.
- Create a true deterrent effect through consequential penalties for noncompliance with program requirements.
- Publish aggregated audit metrics and final enforcement outcomes to the extent permitted by applicable confidentiality laws.
- Establish audit mechanisms to identify retailers acting as de facto distributors or otherwise bypassing deposit and fee obligations.
- Ensure that staffing levels are sufficient to meet identified program oversight needs.
- Consider using financial statements as another tool to identify distributor underpayments and underreporting of deposit refunds, where appropriate.
- Consider incentives to encourage whistleblowers to report non-registered distributors and manufacturers.
- Continue efforts to identify companies that are not registered in the DRS program.
- Create a comprehensive system for reviewing container counts handled by redemption sites.
- Explicitly prohibit fraudulent behavior in law and establish a program to prevent fraud among all system participants.

As Envipco Business Development Executive Ernie Argenio, another member of the CRI BAC guidebook subcommittee, concluded, "This guidebook can assist anyone looking to introduce DRS legislation in existing or new markets."

To download the full guidebook and associated materials, visit the [guidebook website page](#).

CRI will hold a webinar on Oct. 15 from 11 a.m. to 12:30 p.m. Pacific to discuss the FF&E project and answer questions. Visit the [webinar page](#) for more information and to register.

The nonprofit Container Recycling Institute (www.container-recycling.org) is a leading authority on the economic and environmental impacts of used beverage containers and other consumer product packaging. Its mission is to make North America a global model for the collection and quality recycling of packaging materials.

###

Guidebook Definitions

- **Redemption fraud** refers to obtaining a refund for a beverage container through an illegal or unauthorized means.
- **Free riding** refers to selling beverage containers within a deposit system without properly initiating or paying the required deposits, thereby shifting financial responsibility to other participants in the system.
- **Operational errors**, while unintentional, can also create financial losses and distort program performance.