United States Senate

WASHINGTON, DC 20510

June 18, 2025

Mr. Ron Sargent Interim CEO and Chair The Kroger Co. 1014 Vine Street Cincinnati, OH 45202

Dear Mr. Sargent,

We write with concern regarding recent reports that Kroger stores in several states, including Arizona, have frequently failed to eliminate expired discount stickers from food items, which has resulted in stores over-charging consumers at the time of checkout. At a time when American families are facing high costs for essentials, unexpected food price increases can cause significant strain on family budgets. We write to urge you to create a plan with union partners to prevent overcharging from occurring in the future, compensate consumers who have been overcharged, ensure sufficient staffing at stores to prevent overcharging.

On May 14, 2025, Consumer Reports, the Guardian, and the Food & Environment Reporting Network (FERN) published a report finding that discount tags in 14 stores reviewed in Washington DC and 14 states, including Arizona, in March, April and May, had expired sale tags for which Kroger was charging more than the sale price at the time of checkout. The investigation revealed that this practice was occurring on over 150 items, producing average overcharges of about \$1.70 per item, an average 18% markup over the discount price consumers were expecting to pay. The products include beef, salmon, coffee, juice, vegetables, cough medicine, and dog food.

As you know, in March, a customer at a store in Texas contacted the Federal Trade Commission (FTC) to report that Kroger had been leaving out-of-date discount tags up throughout the store, resulting in overcharges for about five years.³ This appears to be a deceptive pricing practice under the Federal Trade Commission Act, which prohibits unfair or deceptive acts or practices in commerce, and is cause for concern.

It appears that these overcharging issues could partially be a result of a lack of staff to remove expired sale stickers and store management not having proper procedures to rectify these issues. Indeed, Kroger's workforce fell from roughly 465,000 full- and part-time employees in January 2021 to just over 409,000 in February 2025. In the Kroger-owned stores where significant price tag errors were found, between 2019 and 2024 the average number of employees has been reduced by 10.3 percent, and the average number of hours employees worked each week fell by 9.9 percent, or 2.7 hours per week. As you are aware, the union representing many grocery workers at Kroger stores have made the overcharging issue a key negotiating point during

 $^{^1\} https://www.consumerreports.org/money/questionable-business-practices/kroger-stores-overcharging-shoppers-on-sale-items-a9659540552/$

² https://www.azfamily.com/2025/05/15/consumer-reports-pricing-errors-kroger-stores-cost-customers/

³ https://www.theguardian.com/us-news/ng-interactive/2025/may/14/kroger-supermarket-sales-tactics

contract negotiations, asking for a "tag integrity department" within each store to address store process and procedures that have led to this issue and to schedule more hours for employees to pull down out-of-date price labels.

This consumer overcharging issue follows other reports of questionable consumer practices at the company. For example, in October 2024, it was reported that Kroger tested facial recognition software and is increasing use of digital price tags, which can facilitate surge pricing.⁴ These practices could be used to manipulate consumers into paying more than they otherwise would at the store. Implementing new technology that exacerbates potential overcharging would only add fuel to the fire.

Unfortunately, American families are experiencing high costs for basic necessities. Egg prices are up 26% from January 2025, chicken is now on par with historic pandemic highs, and ground beef is at an all-time high of \$5.79 per pound, a 46% increase since January 2021. Coffee is also at an all-time high of \$7.39 per pound of ground roast.⁵ Overcharging consumers at the point of checkout only adds an additional cost at a time when American families can least afford it. At the same, without proper staffing, workers at store locations have been placed in uncomfortable or distressing situations with exasperated customers through no fault of their own.⁶

We request that you respond to the following questions by June 20th, 2025:

- Does Kroger have plans to identify and compensate past consumers who have wrongly faced overcharging issues?
- What concrete staffing and non-staffing plans does Kroger have to prevent overcharging going forward?
- Will Kroger commit to work with union partners to develop a "tag integrity department?"
- Will Kroger commit to negotiate with union partners over hour increases for current union members and staffing level increases as part of present and future collective bargaining to prevent future overcharging issues?

We look forward to your response.

Sincerely,

Ruben Gallego

United States Senator

⁴ https://www.nytimes.com/2024/10/23/business/kroger-walmart-facial-recognition-prices.html

⁵ https://groundworkcollaborative.org/wp-content/uploads/2025/04/Trump-100-Days-Brief.docx.pdf

⁶ https://www.theguardian.com/us-news/ng-interactive/2025/may/14/kroger-supermarket-sales-tactics