

Whole Foods to Pay \$800K for Overcharging Calif. Customers

The Associated Press

LOS ANGELES (AP) — Whole Foods will pay about \$800,000 in penalties and fees after an investigation found the grocery retailer was overcharging customers in California.

State and local inspectors discovered that purchased foods weighed less than the label advertised and the weight of salad bar containers wasn't subtracted at checkout, prosecutors said. In addition, the grocer sold prepared foods like kebabs by the item rather than by the pound as mandated by law.

The pricing discrepancies violated consumer protection laws regarding false advertising and unfair competition, prosecutors said.

Whole Foods must pay \$210,000 to each of the city attorneys of Santa Monica, Los Angeles and San Diego, who brought the case against the retailer.

Whole Foods must also reimburse county and state agencies that conducted the pricing investigation and pay \$100,000 to a weights and measurements enforcement fund.

As part of an agreement covering five years, the grocer must appoint state- and store-level pricing accuracy managers, and each of the 74 Whole Foods stores in California will face random quarterly audits.

The consumer protection case was brought against Whole Foods Market California Inc. and Mrs. Gooch's Natural Food Markets Inc., the two subsidiaries of Whole Foods Market Inc. that operate its California stores.

Whole Foods issued a statement noting that the company cooperated with the yearlong investigation and prices were accurate 98 percent of the time. The Austin, Texas-based retailer vowed to improve internal procedures to reduce human error, according to the statement.

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