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Walmart hit with record fine over price label violations, N.J. says

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[Walmart](#) has been hit with a record fine after it was accused of unlawful pricing practices at its 64 stores across New Jersey, the Attorney General’s office said Thursday.

The record \$1.64 million settlement comes two years after NJ Advance Media reported [the spotlight was on Walmart](#) after it was cited for nearly 3,000 similar pricing violations at 50 of its stores in 2022.

“As the price of grocery items continues to rise, it’s more important than ever to ensure consumers have all the information they need —and are entitled to by law — to make educated decisions on how to spend their money,” Attorney General Matthew Platkin said in a statement.

Platkin said the settlement, which includes a \$1.61 million civil penalty — the largest ever obtained by the Office of Weights and Measures — sends a clear message that the state “will not allow retailers to engage in unlawful pricing practices that deny shoppers the ability to easily compare prices to figure out which product is a better buy.”

[Walmart](#) did not immediately respond to a request for comment.

The new violations were alleged under the Unit Pricing Disclosure Act and the [Consumer Fraud Act](#), which imposes significantly higher fines than the \$50 per violation previously assessed against Walmart under different state regulations.

[The state's pricing regulations](#) make it easier to comparison shop. It requires retailers post information so shoppers can see if the same product of different sizes, such as a big can of coffee or a smaller one, or a 12-pack of an item instead of a six-pack, is more cost effective.

The comparison information is known as the “unit price,” and includes units of measure such as ounces, pounds, quarts and 100-counts. Regulated products are supposed to use the same units of measure for varying package sizes. But if one size of a product uses ounces while a different size of the same product uses a different unit measure, shoppers can't make an easy comparison to find the best price.

That's what the state's 64 Walmart stores were accused of doing — giving shoppers apples-to-oranges comparisons instead of apples-to-apples.

The state's Office of Weights and Measures conducted price inspections during the first three months of 2023 at Walmarts statewide and it found more than 2,000 instances where the incorrect unit of measurement was used, the state said.

“In addition to using incorrect units of measurement, various units of measurement were often used within the same category of merchandise — such as using per can, per pound, or per 100-count for coffee — making it extremely difficult, if not impossible,

for shoppers to compare prices,” the state said.

The settlement also requires Walmart to make changes to its business practices, including:

- Using the approved unit of measure for every regulated commodity sold or advertised;
- Within 90 days of the settlement, training new employees who deal with pricing to comply with New Jersey’s unit pricing laws and regulations;
- Conducting internal audits for three years, including random checks at all stores with samplings of 100 regulated items, with audits with more than 2% of wrong prices considered “a failed audit”;
- Submitting semi-annual reports to Consumer Affairs including “a corrective action plan for failed audits during the preceding six-month period, along with a summary of likely reasons and efforts to prevent future unit pricing errors”;
- Retaining all reports and records of internal audits for three years and making them available to Consumer Affairs upon request, and;
- Complying with all state and federal laws and not engaging in any unconscionable business practices or pricing violations as prohibited by the Consumer Fraud Act and related laws.

The settlement covers \$1,616,091 in civil penalties and \$25,409 to reimburse the state for investigative costs and attorney’s fees.

“I’m very happy that its being resolved and that consumers will benefit in the future,” said David Harris, the customer whose complaints led in part to the 2022 fines against Walmart.

Harris said since then, he's still regularly seen wrong unit pricing at the Ledgewood Walmart, where he said he shops for food at least twice a week.

"Maybe this will cause them to fix it," Harris said.

"We're putting chain retailers on notice that repeatedly violating New Jersey's pricing laws will not result in fines they can easily absorb as the cost of doing business," said Cari Fais, Acting Director of the Division of Consumer Affairs. "To protect our consumers, we are pursuing significant penalties that hold companies accountable for financial harm they inflict on consumers and deter them from future unlawful conduct."

HOW UNIT PRICING WORKS

Consumer Affairs' [guide to unit pricing](#) explains how it all works.

It notes that unit pricing is "especially helpful as package sizes have shrunk in recent years."

For example, it poses: If a 10.3 ounce can of coffee sells for \$4.19 and an 11.3 ounce can of coffee sells for \$6.19, which is a better value?



The unit price sign for these coffee products show that the smaller package is a better value than the larger one. (Courtesy N.J. Consumer Affairs)

"The Unit Price label on the shelf shows that one pound of coffee

costs \$6.51 if you purchase the smaller cans, versus \$8.76 per pound if you purchase the 11.3 ounce cans,” it said.

In that case, the smaller can will cost you less per pound.

The law also says retailers must display the correct unit of measure for consumer review.

“For example, the approved ‘unit of measure’ for coffee is ‘pound,’ the approved ‘unit of measure’ for liquid detergent is ‘quart’ and the approved ‘unit of measure’ for plastic and paper bags is ‘100 Count,’” according to the consumer guide.

If you find possible violations, notify the store manager, and if it’s not corrected, you can report it to Consumer Affairs [online](#) or by calling (800) 242-5846.

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