



OFFICE OF THE DISTRICT ATTORNEY
MARIN COUNTY, CALIFORNIA

Prevention * Prosecution * Protection

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PRESS RELEASE

Robert R. Guidi
CHIEF INSPECTOR

**SAFeway INC. AGREES TO PAY PROSECUTORS \$2,250,000
TO RESOLVE ALLEGATIONS OF PRICE OVERCHARGES AND
VIOLATION OF A PRIOR INJUNCTION**

Peggy M. Toth
CHIEF, FINANCE
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Marin County District Attorney Edward S. Berberian announced today that Safeway Inc., the second largest food and drug retailer in North America, has agreed to settle a civil law enforcement action alleging Safeway engaged in false advertising and unfair competition as well as violated a 2008 injunction. The action was filed in Marin County Superior Court by Berberian's Consumer Protection Unit along with the District Attorneys of Alameda, Fresno, Napa, Sacramento, Santa Cruz, Solano, Sonoma, and Ventura Counties. Deputy District Attorney Andres H. Perez prosecuted the case for the Marin County District Attorney's Office. The Judgment was signed by Marin Superior Court Judge Roy O. Chernus.

The Complaint filed by the District Attorneys alleges that within at least the last four years Safeway unlawfully charged consumers prices higher than Safeway's lowest advertised price, misrepresented the weight of Safeway-branded products, and made statements on in-store signage that conveyed the impression certain Safeway produce was "locally grown" when in fact they were sourced from other countries.

The Complaint further alleges that Safeway failed to abide by provisions of a 2008 injunction requiring Safeway to initiate and maintain a program to minimize pricing discrepancies. The injunction mandated Safeway institute a price accuracy policy requiring Safeway to give consumers an item free if they are overcharged for the item and the lowest advertised price was \$5.00 or less; or if over \$5.00, charge the correct price and give the consumer a \$5.00 gift card. The Complaint alleges Safeway failed to always honor the requirement and adequately notify consumers of the requirement with signage at every check stand.

Under the settlement, Safeway agrees to be bound by a permanent injunction prohibiting them from: making any false or misleading statements; charging an amount greater than the lowest price posted on a commodity or on a shelf tag; failing to honor any valid Safeway coupons, discounts or offers; and failing to clearly and conspicuously disclose any inclusions, exceptions or limitations to any Safeway offers, coupons or discounts.

Safeway has also agreed to take significant measures to increase price accuracy including, but not limited to: increasing the number and visibility of store signage notifying consumers of the price accuracy policy; instituting training for employees on complying with the price accuracy policy; and hiring an independent third-party auditor to conduct annual audits of Safeway's compliance with the injunction provisions.

The Final Judgment orders Safeway to pay \$2,250,000 in civil penalties, investigative costs and restitution.

District Attorney Berberian stated, "The Marin County District Attorney's Office remains committed to prosecuting pricing accuracy violations and ensuring consumers pay no more for items than advertised."

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