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United States Senate

COMMITTEE ON HEALTH, EDUCATION,
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<http://help.senate.gov>

April 22, 2022

Todd Vasos
Chief Executive Officer
Dollar General Corporation
100 Mission Ridge
Goodlettsville, TN 37072

Dear Mr. Vasos:

I request information concerning Dollar General's labor, employment, and workplace safety practices. Along with Dollar Tree, Dollar General is one of two major dollar store corporations in the United States, and has seen explosive—and continuing—growth, with the two combining for more dollar store locations in the United States than Walmart, Starbucks, and McDonald's locations combined.¹ Yet for years, press accounts, lawsuits, and federal and state investigations have detailed unacceptable conditions for workers at Dollar General's stores and warehouses. As the company's business grows, particularly in low-income communities, more and more Dollar General workers will face low wages, insufficient benefits, and unsafe working conditions. I call on you to explain Dollar General's shameful labor practices and commit to improving conditions for workers moving forward.

As of February 2022, Dollar General operates 18,190 stores, almost double the 9,961 stores the company operated a decade ago.² According to a 2020 projection, dollar stores and similar operators in the low-cost retail sector accounted for one in every three new stores that planned to open in 2021.³ And the industry continues to expand, with Dollar General reportedly planning to open another 1,100 new locations in 2022—a rate of more than three new store openings per day.⁴

As the company continues to experience substantial growth, health and safety conditions for workers in its stores and warehouses remain woefully inadequate and, in some cases, violate federal law. In recent years, Dollar General has been required to pay more than \$8 million to settle claims for violations of the Fair Labor Standards Act (FLSA), and the company has accrued more than \$3 million in penalties from the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA).⁵ Those significant fines, in addition to class action settlements for

¹ <https://www.washingtonpost.com/business/2021/08/20/growing-number-americans-are-relying-dollar-stores/>

² <https://www.sec.gov/ix?doc=/Archives/edgar/data/29534/000155837022003921/dg-20220128x10k.htm> at 4; <https://www.sec.gov/Archives/edgar/data/0000029534/000104746912003084/a2207856z10-k.htm> at 2

³ <https://www.nytimes.com/2021/09/30/business/dollar-stores-struggling-pandemic.html>

⁴ <https://www.forbes.com/sites/warrenshoulberg/2022/01/16/dollar-stores-big-lots-off-pricers-will-open-thousands-of-stores-in-2022/?sh=46867af15c6e>

⁵ *Richter v. Dolgencorp, Inc.*, 2014 WL 6645542 (N. D. Al. 2014); <https://www.businessinsider.com/osha-cites-long-history-of-safety-violations-at-dollar-general-2022-2>

violation of state laws, out-of-court settlements, and pending class actions, indicate a regular practice of cutting corners on worker pay and safety that cannot continue.

Despite Dollar General’s increasing profits, workers face long hours, low wages, wage theft, and limited benefits.

Dollar General has consistently paid workers some of the lowest hourly rates of any major retail corporation in the country. In 2015, Dollar General used a pay scale that started many employees at \$7.25 per hour.⁶ And those numbers have barely increased since: a 2020 report found Dollar General paid hourly employees an average of \$9.68 per hour, lower than any other retail company surveyed.⁷ Dollar General’s financial disclosures indicate the median compensated employee earned just \$16,688 annually in 2020.⁸ According to the U.S. Department of Labor’s Bureau of Labor Statistics, that median employee salary is in the bottom 10 percent of workers categorized as either “retail salespersons” or “cashiers.”⁹

While Dollar General’s employees struggle to make ends meet, your own compensation as CEO was a staggering 986 times greater than the median employee’s annual earnings.¹⁰ A 986:1 ratio of CEO to median employee compensation is nearly three times the average ratio of other major corporations in the United States, which averaged a ratio of 351:1 during the same period.¹¹

Dollar General’s business practices also systematically deprive workers of the wages they earn on the job. One warehouse worker described, as part of an ongoing class action lawsuit, the company’s expectation that he clock into work seven minutes before his shift began with his required protective gear already in place, and then immediately begin his work.¹² He was not compensated for the time he spent putting on the protective gear, the required seven minutes per shift of extra work, the time to remove his protective gear, or numerous other lost hours of his time.¹³

In addition to paying low wages, Dollar General misclassifies many of its workers as salaried store managers to avoid paying overtime. Under the FLSA, most employers must pay overtime when employees work more than 40 hours in a week unless those employees are executives who have management responsibilities as their “primary duty.”¹⁴ Dollar General has a long history of exploiting this “executive exemption” from overtime requirements. Lawsuits and press reports have repeatedly documented the company’s practices: corporate management severely restricts the number of total hours that store managers can allocate in a week to non-managers, expecting

⁶ <https://wpln.org/post/unlike-walmart-dollar-general-isnt-planning-to-hike-starting-pay-any-time-soon/>

⁷ <https://www.foxbusiness.com/lifestyle/dollar-general-pay-least-ubs-report>

⁸ https://investor.dollargeneral.com/download/companies/dollargeneral/Annual%20Reports/Dollar_General_2020_Annual_Report.pdf at 45

⁹ <https://www.bls.gov/oes/current/oes412031.htm>; <https://www.bls.gov/oes/current/oes412011.htm>

¹⁰ https://investor.dollargeneral.com/download/companies/dollargeneral/Annual%20Reports/Dollar_General_2020_Annual_Report.pdf at 45

¹¹ https://investor.dollargeneral.com/download/companies/dollargeneral/Annual%20Reports/Dollar_General_2020_Annual_Report.pdf at 45; <https://www.epi.org/publication/ceo-pay-in-2020/>

¹² *Weller v. Dollar General Corp.*, 5:17-cv-02292-JLS, Complaint at 6-7 (E.D. Pa., 5/18/17)

¹³ *Weller v. Dollar General Corp.*, 5:17-cv-02292-JLS, Complaint at 6-7 (E.D. Pa., 5/18/17)

¹⁴ 29 U.S.C. § 207(a)(1); 29 U.S.C. § 213(a)(1); 29 C.F.R. § 541.100

managers to cover the rest without overtime, lunch breaks, or additional compensation.¹⁵ The company misclassifies workers who should be considered eligible for overtime pay as executives, even though the majority of their work consists of unloading merchandise, stocking shelves, and other non-managerial tasks.¹⁶ At one Maine store, the salaried store manager was working 70 to 80 hours per week without overtime.¹⁷ Another manager noted that most of the heavily restricted hours were assigned on days when the store received deliveries, leaving the manager to staff the store with just one other employee from opening until close three or four days per week.¹⁸

In 2014, as a result of these violations, Dollar General agreed to pay \$8.3 million to compensate former store managers who should have received payment for the overtime hours they worked.¹⁹ Even following that settlement, it is clear the unlawful practices continue: in a separate class action lawsuit that settled for nearly \$10 million in 2020, former store managers uncovered a corporate memo that instructed store managers of their “responsibility” not to take a lunch break—in direct violation of state law—if the store was understaffed, a near certainty given the impossible limits imposed by the same corporate leadership.²⁰

Dollar General has also demonstrated animosity toward workers’ rights to collectively bargain. In the fall of 2021, workers at a Dollar General Store in Connecticut contacted a union organizer and attempted to unionize.²¹ To combat that effort, Dollar General hired five consultants who were each paid \$2,700 per day, approximately 22 times the daily wages of the leader of the unionization effort.²² This is part of a concerning pattern of anti-union efforts that follow Dollar General’s 2020 decision to close down the first (and so far, only) of its stores to vote for a union.²³

Finally, media reports reveal Dollar General been forced to temporarily close stores because the company’s employment practices have driven entire staffs to quit en masse.²⁴ Two store workers in Eliot, Maine walked off the job a day after their manager quit and left a note telling customers, “Dollar General doesn’t pay a living wage or treat their employees with respect.”²⁵

¹⁵ *Richter v. Dolgencorp, Inc.*, 2012 WL 5289511 (N. D. Al. 2014); *Ely v. Dolgencorp, LLC*, 827 F. Supp. 2d 872, 875 (E.D. Ark. 2011); *Jones v. Dolgencorp, Inc.*, 789 F. Supp. 2d 1090, 1104 (N.D. Iowa 2011); *Anderson v. Dolgencorp of New York, Inc.*, No. 1:09-CV-360 GLS RFT, 2011 WL 1770301, at *11 (N.D.N.Y. May 9, 2011); <https://www.nytimes.com/2021/09/30/business/dollar-stores-struggling-pandemic.html>;

<https://www.nytimes.com/2022/04/18/business/dollar-general-tiktok.html>

¹⁶ *Richter v. Dolgencorp, Inc.*, 2014 WL 6645542 (N. D. Al. 2014); *Ely v. Dolgencorp, LLC*, 827 F. Supp. 2d 872, 875 (E.D. Ark. 2011); *Jones v. Dolgencorp, Inc.*, 789 F. Supp. 2d 1090, 1104 (N.D. Iowa 2011); *Anderson v. Dolgencorp of New York, Inc.*, No. 1:09-CV-360 GLS RFT, 2011 WL 1770301, at *11 (N.D.N.Y. May 9, 2011);

<https://www.nytimes.com/2021/09/30/business/dollar-stores-struggling-pandemic.html>;

¹⁷ <https://www.businessinsider.com/dollar-general-employees-eliot-maine-quit-walkout-2021-5>

¹⁸ *In re Dollar Gen. Stores FLSA Litig.*, 766 F. Supp. 2d 631, 635 (E.D.N.C. 2011)

¹⁹ *Richter v. Dolgencorp, Inc.*, 2014 WL 6645542 (N. D. Al. 2014)

²⁰ <https://www.nbcnews.com/business/business-news/dollar-general-thriving-workers-say-they-pay-price-n1137096>; *Varela v. Dolgen California, LLC*, No. RIC1306158, 2020 WL 10147080, at *3 (Cal. Super. July 30, 2020)

²¹ <https://www.washingtonpost.com/nation/interactive/2021/worker-revolt-comes-dollar-general-connecticut/>

²² <https://www.washingtonpost.com/nation/interactive/2021/worker-revolt-comes-dollar-general-connecticut/>

²³ https://www.columbiamissourian.com/news/state_news/workers-at-auxvasse-dollar-general-vote-to-unionize/article_ca2cb5a8-dd2f-11e7-8326-b37e27e893c8.html;

<https://www.washingtonpost.com/nation/interactive/2021/worker-revolt-comes-dollar-general-connecticut/>

²⁴ <https://www.businessinsider.com/dollar-general-employees-eliot-maine-quit-walkout-2021-5>;

<https://www.kwtx.com/2021/07/27/temple-dollar-general-reopens-after-disgruntled-employees-quit-en-masse/>

²⁵ <https://www.businessinsider.com/dollar-general-employees-eliot-maine-quit-walkout-2021-5>

Dollar General's stores and warehouses are unsafe and unsanitary.

Employers are required by federal law to provide safe and healthy workplaces, yet unsafe working conditions put the safety and health of Dollar General workers at risk every day. Over the past 10 years, Dollar General has been cited by OSHA 244 times for a multitude of workplace safety issues.²⁶ OSHA deemed a number of these “repeated” citations, indicating Dollar General has had similar previous violations, or “willful” citations, which indicate intentional disregard or plain indifference for the law and workplace safety.²⁷ The citations detail a series of violations of safety standards: (1) repeated fines for failing to have a clear paths to fire exits;²⁸ (2) blocked electrical panels that put employees at risk of accidental fire, shock, and other dangers;²⁹ and (3) stacks of unstable merchandise and over-stocked materials that put employees at risk of being seriously injured while at work.³⁰

In addition to the hundreds of citations, OSHA has proposed more than \$3.6M in penalties following 55 inspections of Dollar General facilities since 2016.³¹ In just one recent example, OSHA proposed \$683,680 in penalties for three Alabama Dollar General stores in February 2022 after inspectors found five willful violations, including exposure to electrical hazards, failure to take measures to protect against fire hazards, and entrapment hazards caused by a cluttered back stockroom and blocked exit routes.³²

Dollar General has also failed to protect the health and safety of its workers from workplace violence arising from criminal activity targeting its stores. Six Dollar General workers have died during store robberies since 2016, a staggering figure for a single employer.³³ According to law enforcement officers who have studied the high levels of crime associated with dollar stores, the understaffing at the stores contributes to them being targets of crime.³⁴ Dollar General has put in place minimal security precautions to protect against these threats, and currently have low quality security cameras and no active security guards.³⁵ In Dayton, Ohio, seven Dollar General stores accounted for 29 percent of the city's commercial robberies in 2019.³⁶ Police departments

²⁶ https://www.osha.gov/pls/imis/establishment.search?p_logger=1&establishment=dollar+general&State=all&officetype=all&Office=all&sitezip=&p_case=all&p_violations_exist=all&startmonth=03&startday=01&startyear=2012&endmonth=04&endday=19&endyear=2022

²⁷ <https://www.osha.gov/news/newsreleases/region8/06052014>; <https://www.osha.gov/publications/fedrites>

²⁸ <https://www.osha.gov/news/newsreleases/region4/12132021>; <https://www.osha.gov/news/newsreleases/region6/01042016>; <https://www.osha.gov/news/newsreleases/region5/11152016>

²⁹ <https://www.osha.gov/news/newsreleases/region5/11152016>

³⁰ <https://www.businessinsider.com/family-dollar-rat-infestation-inevitable-given-stock-pile-up-expert-2022-2?inline-endstory-related-recommendations>

³¹ <https://www.businessinsider.com/osha-cites-long-history-of-safety-violations-at-dollar-general-2022-2>; <https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2022/02/OSHA20220217a.pdf>

³² <https://www.businessinsider.com/osha-cites-long-history-of-safety-violations-at-dollar-general-2022-2>

³³ <https://www.cnn.com/2020/06/26/business/dollar-general-robberies/index.html>

³⁴ <https://www.cnn.com/2020/06/26/business/dollar-general-robberies/index.html>;

<https://www.propublica.org/article/how-dollar-stores-became-magnets-for-crime-and-killing>;

<https://www.businessinsider.com/dollar-store-staff-danger-crime-hotspots-discount-chains-retail-2021-10>

³⁵ <https://www.cnn.com/2020/06/26/business/dollar-general-robberies/index.html>;

<https://www.propublica.org/article/how-dollar-stores-became-magnets-for-crime-and-killing>

³⁶ <https://www.cnn.com/2020/06/26/business/dollar-general-robberies/index.html>

throughout the country have tried to raise security concerns with Dollar General management, but have been met with little cooperation from the company.³⁷

Requests for Information

As Dollar General continues to expand, there seems to be no plan to address this long-standing pattern of anti-worker practices. To understand Dollar General's worker policies and procedures, as well as the company's response to violations of federal labor law, I request you provide the following information by no later than May 6, 2022:

1. For each category of store-based role at Dollar General stores, please provide the following documents:
 - a. Job descriptions, including expected or required duties for each position;
 - b. Hourly wage or salary ranges for each position;
 - c. Policies related to meal breaks, rest periods, and paid or unpaid leave for each position; and
 - d. Descriptions of non-salary benefits, including the requirements for obtaining employer-sponsored health, retirement, or other forms of benefits.
2. Please provide the most recent policies, manuals, and trainings (including for managers and new hires), including for the following topics:
 - a. Occupational health, safety, and security;
 - b. Anti-discrimination and harassment;
 - c. Scheduling and procedures for timekeeping;
 - d. Measures to combat shrink, or the loss of money or items in the store;
 - e. Housekeeping and sanitation;
 - f. Store video surveillance;
 - g. Use of any internal or third-party flexible scheduling programs; and
 - h. Staffing levels and structures.
3. Please provide the most recent policies, procedures, and other documents relating to managerial roles at Dollar General stores, including:
 - a. All documents relating to the company's policy for determining which positions are considered exempt from the overtime provisions of the FLSA; and
 - b. Data showing the number of employees classified as exempt and non-exempt.
4. Please provide the following related to claims brought in arbitration:
 - a. The number of claims related to the FLSA or any related state or local wage and hour laws brought from January 1, 2017 to present; and
 - b. For each resolved claim:
 - i. a description of the resolution; and
 - ii. The amount awarded, if any, to the claimant(s).
5. Please provide the following documents that relate to or discuss employees' right to unionize or the company's policies on unionization:

³⁷ <https://www.cnn.com/2020/06/26/business/dollar-general-robberies/index.html>

- a. Any documents, presentations, or communications sent to store employees that concern or address unionization;
 - b. Budget outlays for any anti-unionization efforts conducted at any stores since January 1, 2020; and
 - c. Copies of any internal communication regarding unionization efforts from January 1, 2020 to present.
6. Please provide all internal documents and communications, including emails, related to OSHA violations resulting in initial penalties exceeding \$50,000 in total since January 1, 2017.
 7. Please provide any audits, reports, or reviews related to any internal or third-party health and safety inspections conducted of Dollar General stores since January 1, 2017.
 8. Dollar General has reportedly implemented security measures to address high incidences of crime at some stores.³⁸ Please provide the following documents:
 - a. A description of the remote monitoring systems in place at Dollar General stores;
 - b. Dollar Store's contract and related agreements with ADT related to store security;
 - c. A list of stores protected under the ADT contract or remote monitoring systems, designating which stores are protected by which mechanism; and
 - d. Documentation on all instances of crime reported through ADT or witnessed by remote monitoring systems from January 2021 to present.

Thank you in advance for your attention to this matter. If you have any questions or would like to discuss compliance with this request, please contact Greg Carter at Greg_Carter@help.senate.gov and Laura Gyamfi at Laura_Gyamfi@help.senate.gov.

Sincerely,



PATTY MURRAY

Chair

U.S. Senate Committee on Health, Education,
Labor, and Pensions

cc: Senator Richard Burr
Ranking Member

³⁸ <https://www.propublica.org/article/how-dollar-stores-became-magnets-for-crime-and-killing>;
<https://www.cnn.com/2020/06/26/business/dollar-general-robberies/index.html>