



News Release

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N.G.A. MEETS WITH DEPARTMENT OF LABOR TO DISCUSS CHILD LABOR ENFORCEMENT ISSUES AND THE SETTLEMENT AGREEMENT

As a follow-up to recent press reports on Wal-Mart's settlement agreement with Department of Labor (DOL) on child labor violations and N.G.A.'s survey of its members, N.G.A. President & CEO Tom Zaucha, Senior Vice President and General Counsel Tom Wenning, along with labor counsel Jay Krupin and Kara Maciel of Krupin O'Brien, met with Victoria Lipnic, Assistant Secretary of Labor for Employment Standards, Al Robinson, Deputy Administrator for Policy and other officials. The purpose of the meeting was to ensure that N.G.A. members receive the same fair and equitable treatment from DOL as it gave Wal-Mart with respect to its investigation and enforcement actions.

Tom Zaucha said, "N.G.A. wanted to make it clear that the association and its members are committed to voluntary compliance with the law and to work with DOL in a collaborative fashion. But, we also want to be sure that there is a level playing field when it comes to enforcement."

DOL officials clarified the broad discretion that its regional and district investigators have when initiating a child labor investigation as well as the discretion afforded to officials in terms of negotiating any penalty or settlement agreement. In exchange for relatively minor concessions on the part of Wal-Mart, such as additional training of its managers and supervisors on child labor law and abstaining from hiring minors under the age of 16 (both of which Wal-Mart was already doing), Wal-Mart received significant benefits from the DOL in terms of 15 days advance notice from the DOL before it initiates any Wage and Hour Division audit or investigation at the stores covered by the agreement. In addition Wal-Mart is to be provided formal written notice of subsequent alleged violations and 10 business days from the receipt of the formal notice to bring the facility into compliance. These benefits and concessions were likely the result of extended negotiations between Wal-Mart and the DOL, thus underscoring the value for grocers to have N.G.A. and/or legal counsel involved at the outset of any DOL investigation or enforcement proceeding.

As a result of the meeting, Zaucha announced that Krupin O'Brien has established a hotline specifically for N.G.A. members to receive assistance and advice in DOL investigations and enforcement proceedings.

As the summertime employment of teenagers approaches, N.G.A. will provide guidance on how grocers can employ teenagers in a safe workplace environment, assess their own compliance with the law, and conduct a self-audit.

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N.G.A. is the national trade association representing the retail and wholesale grocers that comprise the independent sector of the food distribution industry. An independent retailer is a privately owned or controlled food retail company operating a variety of formats. Most independent operators are serviced by wholesale distributors, while others may be partially or fully self-distributing. Some are publicly traded but with

controlling shares held by the family and others are employee owned. Independents are the true “entrepreneurs” of the grocery industry and dedicated to their customers, associates, and communities. N.G.A. members include retail and wholesale grocers, state grocers associations, as well as manufacturers and service suppliers. For more information about N.G.A. and the independent sector of the industry, see the N.G.A. website: www.NationalGrocers.org