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United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

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<http://help.senate.gov>

April 22, 2022

Michael Witynski
President and Chief Executive Officer
Dollar Tree, Inc.
500 Volvo Parkway
Chesapeake, VA 23320

Dear Mr. Witynski:

I request information on Dollar Tree's labor, employment, and workplace safety practices at its Dollar Tree and Family Dollar stores. Along with Dollar General, Dollar Tree is one of two major dollar store corporations in the United States, and both Dollar Tree and Family Dollar stores have 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 the company's stores and warehouses. As Dollar Tree's business grows, particularly in low-income communities, more and more Dollar Tree workers will face low wages, insufficient benefits, and unsafe working conditions. I call on you to explain Dollar Tree's shameful worker practices and commit to improving conditions for workers moving forward.

As of February 2022, Dollar Tree operated 8,061 and Family Dollar operated 8,016 stores, almost 40 percent more stores than the two brands operated total 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 your company estimating the market can support 10,000 Dollar Tree and 15,000 Family Dollar stores across the United States – a number that would represent a 55 percent increase from your current store count.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, in violation of federal law. Family Dollar was required to pay more than \$35.6 million to settle

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

² <https://www.sec.gov/Archives/edgar/data/34408/000003440812000007/fdo-2012825x10k.htm>;

<https://www.sec.gov/Archives/edgar/data/935703/000093570312000007/form10k.htm>;

<https://www.sec.gov/ix?doc=/Archives/edgar/data/0000935703/000093570322000020/dltr-20220129.htm>

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

⁴ <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000935703/000093570321000014/dltr-20210130.htm> at 8

claims for violations of the Fair Labor Standards Act (FLSA) before merging with Dollar Tree.⁵ And in recent years, Dollar Tree has accrued more than \$9.3 million in fines from the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA).⁶ Those significant fines, in addition to class action settlements for 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 Tree's increasing profits, workers face long hours, low wages, wage theft, and limited benefits.

Dollar Tree has consistently paid workers some of the lowest hourly rates of any major retail corporation in the country. In 2007, Family Dollar paid employees an average hourly rate of \$8.21.⁷ Thirteen years later, a 2020 report found Dollar Tree's average hourly rate was just \$10 per hour, the second lowest rate of any retail company surveyed.⁸ Dollar Tree's financial disclosures indicate the median employee earned just \$15,816 in 2020.⁹ 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."¹⁰

While Dollar Tree's employees struggle to make ends meet, your own compensation as CEO was a staggering 715 times greater than of the median employee's annual earnings.¹¹ A 715:1 ratio of CEO to median employee compensation is more than double the average of other major corporations in the United States, which averaged a ratio of 351:1 during the same period.¹²

Dollar Tree's business practices also systematically deprive workers of the wages they earn on the job. Dollar Tree paid \$2.5 million to settle a class action lawsuit in 2020 after warehouse workers documented the company's policy of underpaying employees by rounding minutes down to ensure that employees can never be credited for extra minutes worked at the beginning or end of their shift.¹³ Workers also described waiting in long lines to clock in and out without credit for their time waiting in those lines.¹⁴

In addition to paying low wages, Dollar Tree 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

⁵ *Morgan v. Family Dollar Stores, Inc.*, 551 F.3d 1233 (11th Cir. 2008)

⁶ <https://www.osha.gov/news/newsreleases/region4/04292021>

⁷ *Itterly v. Fam. Dollar Stores, Inc.*, 606 F. App'x 643, 648 n.9 (3d Cir. 2015)

⁸ <https://www.foxbusiness.com/lifestyle/dollar-general-pay-least-ubs-report>

⁹ <https://www.dollartreeinfo.com/static-files/b9148b03-8c6c-47b5-b48b-dbde0ef6d74e> at 94.

¹⁰ <https://www.bls.gov/oes/current/oes412031.htm>; <https://www.bls.gov/oes/current/oes412011.htm>

¹¹ <https://www.dollartreeinfo.com/static-files/b9148b03-8c6c-47b5-b48b-dbde0ef6d74e> at 94

¹² <https://www.epi.org/publication/ceo-pay-in-2020/>

¹³ Memorandum of Points and Authorities in Support of Plaintiff's Notice of Motion and Motion, *Snipes v. Dollar Tree Distribution, Inc.*, 2:15-cv-00878-MCE-KJN, 2016 WL 11685663 (E.D. Ca., Dec. 16, 2016); <https://www.law360.com/articles/1260731/dollar-tree-inks-2-5m-deal-over-wage-timekeeping-practices>

¹⁴ Memorandum of Points and Authorities in Support of Plaintiff's Notice of Motion and Motion, *Snipes v. Dollar Tree Distribution, Inc.*, 2:15-cv-00878-MCE-KJN, 2016 WL 11685663 (E.D. Ca., Dec. 16, 2016)

executives who have management responsibilities as their “primary duty.”¹⁵ Dollar Tree 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 managers to cover the rest without overtime, lunch breaks, or additional compensation.¹⁶ This practice often results in managers working 70 or more hours a week, even sleeping in the stores to keep them running and be there in time to reopen in the morning.¹⁷

In 2008, as a result of these violations, Family Dollar was ordered to pay \$35.6 million to compensate former store managers who should have received payment for the overtime hours they worked.¹⁸ Even following that lawsuit, it is clear the unlawful practices continue: Dollar Tree’s 2020 class action settlement covered, in part, the company’s failure to provide adequate rest and meal breaks, as required by law, to warehouse workers in California.¹⁹ Just last month, Dollar Tree was also fined \$1.5 million by the Massachusetts’ Attorney General for failing to provide adequate meal breaks to employees.²⁰ State investigators found that, through 2018 and 2019, persistent staffing shortages meant workers were unable to leave their stores or take meal breaks.²¹

Family Dollar also has a history of gender-based discrimination. In 2018, the company was ordered to pay \$45 million as part of a settlement in a long-running class action lawsuit that demonstrated clearly that Family Dollar had paid female store managers less than similarly situated male store managers.²²

Media reports reveal the company has been forced to temporarily close Family Dollar stores, because company management has created employment practices that have driven entire staffs to quit en masse.²³ At a Lincoln, Nebraska store, the last two remaining staff members quit because they were expected to keep the store operational without any support.²⁴ The staff said the hours and pay were unsustainable, and Dollar Tree needed to “Treat [their]

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

¹⁶ *Morgan v. Family Dollar Stores, Inc.*, 551 F.3d 1233 (11th Cir. 2008); <https://www.businessinsider.com/how-family-dollar-kept-worker-lawsuits-hidden-arbitration-2021-12>

¹⁷ *Morgan v. Family Dollar Stores, Inc.*, 551 F.3d 1233 (11th Cir. 2008); <https://www.businessinsider.com/family-dollar-workers-describe-long-hours-sleeping-on-boxes-2021-12>; <https://www.businessinsider.com/how-family-dollar-kept-worker-lawsuits-hidden-arbitration-2021-12>

¹⁸ *Morgan v. Family Dollar Stores, Inc.*, 551 F.3d 1233 (11th Cir. 2008)

¹⁹ Memorandum of Points and Authorities in Support of Plaintiff’s Notice of Motion and Motion, *Snipes v. Dollar Tree Distribution, Inc.*, 2:15-cv-00878-MCE-KJN, 2016 WL 11685663 (E.D. Ca., Dec. 16, 2016)

²⁰ <https://www.mass.gov/news/family-dollar-cited-15-million-for-thousands-of-meal-break-violations-at-massachusetts-locations>

²¹ <https://www.mass.gov/news/family-dollar-cited-15-million-for-thousands-of-meal-break-violations-at-massachusetts-locations>

²² *Scott v. Fam. Dollar Stores, Inc.*, No. 308CV00540MOCDS, 2018 WL 1321048, at *5 (W.D.N.C. Mar. 14, 2018)

²³ <https://pittsburgh.cbslocal.com/2021/06/16/employees-at-family-dollar-in-garfield-walk-out-on-job-in-protest/>; <https://www.businessinsider.com/we-all-quit-nebraska-family-dollar-closed-after-workers-resigned-2021-8>

²⁴ <https://www.businessinsider.com/we-all-quit-nebraska-family-dollar-closed-after-workers-resigned-2021-8>

employees better, or this is going to keep happening.”²⁵ Another walkout in Pittsburgh included the store’s manager, who did not have the workers necessary to keep the store running and was faced with staffing the store herself.²⁶

Dollar Tree’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 Tree workers at risk every day. Since 2016, more than 300 inspections of Dollar Tree stores across the nation have led to proposed OSHA penalties of more than \$9.3 million.²⁷ OSHA’s leadership has made clear “Dollar Tree Stores have a history of not taking the safety of its workers and customers seriously.”²⁸ In the last 10 years, Dollar Tree has faced 628 OSHA violations, and Family Dollar has faced 205 violations.²⁹ Those violations frequently include “repeated” citations, indicating the company has had similar previous violations, or “willful” citations, which indicates intentional disregard or plain indifference for the law and workplace safety. The citations detail a series of violations of safety standards: (1) exit routes obstructed by boxes of merchandise that present a hazard to employees in the event of a fire or other emergency;³⁰ (2) merchandise stored in unsecure and unstable places, such as in backrooms, and placed dangerously around electrical equipment;³¹ and (3) aisles littered with stacks of merchandise that put employees at risk of tripping and falling or even suffering serious injury from having boxes topple over onto them.³²

Dollar Tree workers in stores and warehouses also face unsanitary working conditions. In February 2022, the FDA announced that a January 2022 inspection found a rodent infestation likely to be the cause of contamination in many products, including food, cosmetics, and over-the-counter medications, at Family Dollar distribution facility in West Memphis, Arkansas.³³ Inspectors observed live rodents, more than 1,000 dead and decaying rodents, rodent feces and urine, dead birds and droppings, and products in conditions that would not protect against

²⁵ <https://www.businessinsider.com/we-all-quit-nebraska-family-dollar-closed-after-workers-resigned-2021-8>
²⁶ <https://pittsburgh.cbslocal.com/2021/06/16/employees-at-family-dollar-in-garfield-walk-out-on-job-in-protest/>
²⁷ <https://www.osha.gov/news/newsreleases/region4/04292021>
²⁸ <https://www.osha.gov/news/newsreleases/region4/04292021>
²⁹ https://www.osha.gov/pls/imis/establishment.search?p_logger=1&establishment=family+dollar&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;
https://www.osha.gov/pls/imis/establishment.search?p_logger=1&establishment=dollar+tree&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
³⁰ <https://www.osha.gov/news/newsreleases/region8/06052014>;
<https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2021/04/OSHA20210700.pdf>
³¹ <https://www.osha.gov/news/newsreleases/region8/06052014>; <https://katu.com/news/local/oregon-osha-fines-wilsonville-dollar-tree-32k-for-safety-violations>
³² <https://katu.com/news/local/oregon-osha-fines-wilsonville-dollar-tree-32k-for-safety-violations>;
<https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2021/04/OSHA20210700.pdf>
³³ <https://www.fda.gov/news-events/press-announcements/fda-alerts-public-potentially-contaminated-products-family-dollar-stores-six-states>

contamination.³⁴ In the wake of that inspection, Family Dollar has closed 404 stores “indefinitely” and begun a voluntary recall of products from that distribution facility.³⁵

As Dollar Tree stores, and those of other discount retailers, have also become a target for armed robberies, the company has failed to protect the health and safety of its workers from workplace violence.³⁶ In fact, according to criminologists who have studied the high levels of crime associated with dollar stores, the understaffing at the stores contributes to them being targets of crime.³⁷ Dollar Tree has put in place minimal security precautions to protect against these threats, relying on low quality security cameras and no active security guards.³⁸

Requests for Information

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

1. For each category of store-based and warehouse-based roles at Dollar Tree and Family Dollar 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 Tree and Family Dollar stores, including:

³⁴ <https://www.fda.gov/news-events/press-announcements/fda-alerts-public-potentially-contaminated-products-family-dollar-stores-six-states>; <https://www.businessinsider.com/family-dollar-indefinitely-closed-stores-finding-thousands-rodents-2022-2>

³⁵ <https://www.businessinsider.com/family-dollar-indefinitely-closed-stores-finding-thousands-rodents-2022-2>

³⁶ <https://www.propublica.org/article/how-dollar-stores-became-magnets-for-crime-and-killing>

³⁷ <https://www.propublica.org/article/how-dollar-stores-became-magnets-for-crime-and-killing>

³⁸ <https://www.propublica.org/article/how-dollar-stores-became-magnets-for-crime-and-killing>

- 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.
 5. Please provide the following documents that relate to or discuss employees’ right to unionize or the company’s policies on unionization:
 - 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 Tree or Family Dollar stores and warehouses since January 1, 2017.
 8. Please provide all internal documents and communications, including emails, related to the February 18, 2022, FDA alert of contaminated products at Family Dollar stores and warehouses, including:
 - a. All documentation from audits, investigations, and reviews conducted by Dollar Tree or outside consultants or entities related to manufacturing practices and conditions at Dollar Tree and Family Dollar stores and warehouses;
 - b. Responses to all FDA inspection reports for Dollar Tree and Family Dollar stores and warehouses; and
 - c. Internal communications surrounding Dollar Tree’s decision to close store locations related to the reports of contaminated products.
 9. Dollar Tree has announced two major changes in store formats in recent years. Family Dollar is expanding its “H2” store design and Dollar Tree and Family Dollar are expanding the combination store design, with co-located Family Dollar and Dollar Tree stores.³⁹ Please provide all internal documents relating to how staffing level

³⁹ <https://chainstoreage.com/dollar-tree-open-600-stores-2021-expanding-new-combination-store-concept/>; <https://covabizmag.com/dollar-tree-announces-new-store-concept/>

decisions are made at those stores, including policy documents, standard weekly schedules, managerial trainings, and internal communications relating to the development of those managerial trainings.

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,

A handwritten signature in blue ink that reads "Patty Murray". The signature is written in a cursive style and is positioned above a horizontal line.

PATTY MURRAY

Chair

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

cc: Senator Richard Burr
Ranking Member