

Dept. of Justice: AG Kaul announces \$100 million multistate settlement with Walmart for allegedly deceiving drivers and customers over delivery

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MADISON, Wis. – Attorney General Josh Kaul, a bipartisan group of attorneys general, and the Federal Trade Commission (FTC) Thursday entered into a \$100 million multistate settlement with Walmart over allegations that the company deceived customers and drivers who participated in its Spark Driver Program. Drivers in Wisconsin will receive over \$600,000 upon completion of the restitution process.

“People deserve to get honest information about what they’ll be paid,” said AG Kaul. “I’m glad that this settlement provides for payment to affected drivers.”

Walmart has run the Spark Driver program since 2018. Customers can use the Spark App to order products from Walmart for home delivery, and people can sign up to be drivers on the app. Drivers pick up products from Walmart stores and deliver them to customers, and they use the app to view and select offers to complete deliveries for payment. These offers include an estimate of how much the driver will earn from the delivery, including the base amount Walmart will pay the driver and any pre-tip the customer has selected to pay. Walmart also offers incentive pay if drivers complete deliveries within a specific period of time or in a particular area, complete a certain number of deliveries, or refer a new driver. Nearly one million drivers have made 272 million deliveries nationwide through the program.

Thursday’s settlement resolves allegations that Walmart misrepresented pre-tip

amounts, base pay, and incentive pay to drivers. While Walmart allegedly showed one offer to the driver, they would split or change parts of the order after the driver accepted the offer and ultimately, the driver received less than the base pay or the full tip. Walmart also allegedly failed to pay drivers for completing incentives by not disclosing the full incentive requirements.

Walmart also allegedly deceived customers into thinking that 100 percent of their tip would go to drivers when, in fact, the company didn't always pass on the full tips to the drivers and sometimes kept them entirely.

As part of the \$100 million judgment included in the settlement, Walmart will pay or already has paid up to \$79 million directly to drivers. In addition, the company is paying a total of \$11 million to the states, including approximately \$719,240.80 to Wisconsin. The company will also pay an additional \$10 million to the FTC to be used to provide refunds to consumers. Walmart will also have to operate an earnings verification program and submit an annual report to the FTC for the next 10 years to make sure drivers are being paid what they were promised, and the company is prohibited from modifying orders after drivers accept them or misrepresenting how much a driver will earn from an offer.

AG Kaul is joined in reaching this settlement by the FTC and the attorneys general of Arizona, Colorado, Illinois, Michigan, North Carolina, Oklahoma, Pennsylvania, South Carolina, and Utah, and the District Attorney of Alameda County.

A copy of the [proposed settlement](#) is linked.

View this press release on the [DOJ website](#).