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July 9, 2026

For Immediate Release

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Ralphs to Reform Hiring Practices, Pay \$200,000 in Settlement with State Civil Rights Department

Settlement resolves lawsuit alleging violations of California's Fair Chance Act

SACRAMENTO – The California Civil Rights Department (CRD) today announced reaching a \$200,000 settlement with Ralphs Grocery Company (Ralphs) to resolve allegations that the company unlawfully denied people employment based on irrelevant or old arrests or convictions. As part of the settlement, Ralphs will reform its hiring practices, provide training to staff involved in the hiring process, and compensate four job applicants who filed complaints with the state.

“Nearly 1 in 3 adults in the United States have a criminal record,” **said CRD Director Kevin Kish.** “When companies make it nearly impossible for people with pasts arrests or convictions to earn a living, nobody wins. This settlement will help ensure applicants at Ralphs stores across California have a fair chance to show they can get the job done. When people can get back to work, they can take care of their families and contribute to their communities.”

Ignoring the Law

In 2023, CRD [filed a lawsuit against Ralphs](#) alleging that the company repeatedly violated California's Fair Chance Act. In the lawsuit, CRD alleged that Ralphs ignored the law's requirements, including by screening out otherwise qualified applicants on the basis of criminal histories that had no adverse relationship with the duties of the job for which they were applying. This included instances of candidates allegedly losing job offers based on convictions for a single misdemeanor count of excessive noise or convictions from other states for simple cannabis possession. Ralphs also allegedly provided inadequate notification about the grounds for the revocation of conditional job offers, unlawfully included questions in its job application form seeking the disclosure of criminal history prior to making a job offer, and regularly failed to provide any way to contact the company to contest job denials or provide evidence of rehabilitation.

Fair Chance to Work

The Fair Chance Act aims to combat the stigma associated with conviction histories and ultimately enhance public safety by reducing undue barriers to employment for people who have been previously involved in the criminal legal system. In passing the Fair Chance Act, the Legislature recognized that “employment is essential to helping formerly incarcerated people support themselves and their families” and reduces the likelihood of an individual reoffending.

The law generally prohibits employers with five or more employees from asking about a job applicant’s conviction history before making a conditional job offer, requires specific procedures for considering an applicant’s criminal history after a conditional job offer, and requires that employers make an individualized assessment — asking whether an applicant’s conviction has a direct and adverse relationship to the job in question — before they deny someone an employment opportunity.

In short, the law aims to help ensure employers pick people based not on stereotypes, but rather on their ability to do the job.

Fair for Everyone

If the settlement is approved by the court, Ralphs, without admitting wrongdoing, will:

- Modify its adverse action notices to comply with the Fair Chance Act.
- Hire a consultant to review Ralphs hiring policies and provide recommendations.
- Remove all questions related to conviction history for applicants applying for jobs in California.
- Provide training to personnel involved in assessing job applicants, with a component addressing social science on myths about people with past convictions.
- Report to CRD on any future job denials based on conviction history for a period of three years.
- Pay \$200,000 in compensation to cover relief for the four applicants.

If you or someone you know has experienced employment discrimination, CRD may be able to assist you through its [complaint process](#). The department also [provides general information and factsheets online](#) about civil rights protections, including with respect to the [Fair Chance Act](#).

The settlement announced today was secured by Staff Counsel Nassim Moallem, Staff Counsel Dylan Crary, Senior Staff Counsel Soyeon Oum, Senior Staff Counsel Cecilia Aguilera, Associate Chief Counsel Rocio Toriz, and Assistant Chief Counsel Asaf Orr, with investigative support from Aja Richardson and Sheenal Singh.

You can learn more by reading the [settlement agreement](#) and the [underlying complaint](#).

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The California Civil Rights Department (CRD) is the state agency charged with enforcing California's civil rights laws. CRD's mission is to protect the people of California from unlawful discrimination in employment, housing, public accommodations, and state-funded programs and activities, and from hate violence and human trafficking. For more information, visit calcivilrights.ca.gov.

