

WakeUpWalMart.com Wake-Up Call 2.17.06 Edition

Website Reveals Internal Public Relations Crisis

On Friday, February 17th, the *New York Times* printed emails from an internal Wal-Mart web site authored by Wal-Mart CEO Lee Scott. The website, called "Lee's Garage," gives managers the opportunity to ask questions directly of Scott. The emails provide a unique and interesting glimpse into Lee Scott's mind and expose the bottomless greed and ruthless attitude rampant throughout corporate America.

For example, when asked by a manager why "the largest company on the planet cannot offer some type of medical retirement benefits?" Scott brutally rejects this idea and then suggests the manager is disloyal for even asking the question. Scott concludes, if managers are essentially looking for a company that would care for them by providing retirement health benefits, the manager should "look for another company where you can do those things."

These documents further illustrate why America's largest employer does not reflect America's values. The truth is Wal-Mart has let America down by lowering wages, forcing good paying American jobs overseas, and cutting costs with total disregard for the values that have made this nation great.

From the Friday *New York Times*:

In a confidential, internal Web site for Wal-Mart managers, the company's chief executive, H. Lee Scott Jr., seemed to have a rare, unscripted moment when one manager asked him why "the largest company on the planet cannot offer some type of medical retirement benefits?"

Mr. Scott first argues that the cost of such benefits would leave Wal-Mart at a competitive disadvantage but then, clearly annoyed, he suggests that the store manager is disloyal and should consider quitting.

The Web site, which Mr. Scott uses to communicate his tough standards to thousands of far-flung managers, gives a rare glimpse into the concerns that are roiling Wal-Mart's retailing empire, from the company's sagging stock price to how it treats its workers. Judging by the managers' questions, Mr. Scott has an internal public relations challenge that in some ways mirrors the challenge he faces from outside critics.

<http://www.wakeupwalmart.com/feature/leesgarage/>

Victory in Massachusetts

In response to a lawsuit and strong grassroots pressure, a state board voted Tuesday to require Wal-Mart to stock emergency contraception pills at its Massachusetts pharmacies. We hope that Wal-Mart will promptly announce their plans to comply fully with this decision and, furthermore, to stop denying this legal medicine to women across the United States.

From the Associated Press:

The state board that oversees pharmacies voted Tuesday to require Wal-Mart to stock emergency contraception pills at its Massachusetts pharmacies, a spokeswoman at the Department of Public Health said.

The unanimous decision by the Massachusetts Board of Pharmacy comes two weeks after three women sued Wal-Mart in state court for failing to carry the so called "morning after" pill in its Wal-Mart and Sam's Club stores in the state.

The women argue state policy requires pharmacies to provide all "commonly prescribed medicines."

<http://www.wakeupwalmart.com/news/20060214-f.html>

Wake-Up Call of the Week

“ *The New York Times*

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February 17, 2006 ”



Waterbury schools snub Wal-Mart grant

On Feb. 14th, 2006, members of the Waterbury Board of Education shot down a \$2,000 grant from Wal-Mart due to the chain's immoral business practices. Not surprisingly, board members wished to distance themselves from a company whose image has been tarnished by, among other offenses, several violations of child labor laws.

From the Waterbury Connecticut Republican American:

"Do we need to sell our souls to get these grants? No," said board member John Theriault, one of four to vote against the request. Three commissioners voted in favor.

"If Wal-Mart wants to improve its relationship with the community, it has ample opportunity to do so by complying with Connecticut law," added board member Ann Marie Sweeney. **"You don't compromise your values because somebody waves the almighty buck."**

Sweeney was referring to environmental and child labor violations at Connecticut Wal-Mart stores. The state fined three Wal-Mart stores in June for a series of child labor violations, including instructing minors to operate hazardous equipment and work past 10 p.m. In August, the company reached a \$1.15 million settlement with state officials to resolve water management complaints at 22 stores.

<http://www.wakeupwalmart.com/news/20060216-ra.html>

Wal-Mart leads "Dirty Gold Laggards"

Industry leaders agree: it's time to clean up dirty gold. Notably absent from the list of companies calling for change is Wal-Mart which, with \$2.6 billion in annual sales, is the largest jewelry retailer in the US. Yet another blow to the company's battered public image.

From NoDirtyGold.org:

For the first time ever, eight of the world's top jewelry retailers have pledged to move away from "dirty" gold sales and are calling on mining corporations to ensure that gold is produced in more socially and environmentally responsible ways. The retailers, which are the Zale Corp., the Signet Group (the parent firm of Sterling and Kay Jewelers), Tiffany & Co., Helzberg Diamonds, Fortunoff, Cartier, Piaget, and Van Cleef & Arpels, are being praised by the No Dirty Gold campaign today in a full-page ad in The New York Times, timed to coincide with Valentine's Day, one of the biggest jewelry-buying holidays in the United States.

Asda Wal-Mart guilty of anti-union activity

In its latest attempt to squash workers' rights, Wal-Mart tries to bribe workers into giving up their collective bargaining rights in England.

From Food and Drink Europe:

Asda Wal-Mart has been fined £850,000 in the UK for offering employees a pay rise to give up union rights, spelling a PR disaster for the company already suffering from a scathing US documentary circuiting Europe.

A British employment tribunal found the American-owned supermarket chain guilty of promising 340 distribution staff a 10 per cent pay rise to give up the collective agreement negotiated by their union – an act which is illegal under 1992 labour relations law. The court ordered Asda to pay £2,500 to each employee at the County Durham depot, but the world's largest retailer looks likely to appeal.

Paul Kenny, GMB acting general secretary said: "The Asda management need to take a clear message from [the tribunal]. GMB is not going away and the union will fight on every front to protect our member's rights". The supermarket is currently feeling the heat elsewhere in Europe, as Wal-Mart: The High Cost of Low Price received rapturous praise at the Berlin film festival over the weekend.

<http://www.wakeupwalmart.com/news/20060214-fade.html>

FAIR SHARE UPDATE: Movement Continues to Grow

Washington — Although House Speaker Frank Chopp recently betrayed Washington's working families by failing to bring Fair Share Health Care to a vote, Governor Chris Gregoire pledged Thursday to pass a "perfected" Fair Share bill next year. "I think we ought to work to perfect the bill and make it happen next year," she said to thunderous applause from members of the Washington State Labor Council. Gregoire can be sure that thousands of enthusiastic WakeUpWalmart.com supporters in Washington will hold her to her promise!

Colorado – More than 250 workers chanted and testified at the Colorado Legislature on Monday to try to get lawmakers to increase access to medical coverage by forcing Wal-Mart to pay their fair share. "Colorado families struggling to pay for their own health care can't afford to also subsidize free-loading corporations, like Wal-Mart, that refuse to pay their fair share," said Bill Vandenberg of the Colorado Progressive Coalition. "Corporations have to pay their own way."

Alaska – Rep. Eric Croft is pursuing Fair Share Health Care legislation which would require employers with more than 2,000 workers to spend at least 8 percent of their payroll on employee health care or else pay into a fund for the uninsured. Just like Maryland, four companies in the state employ over 2,000 workers, but Wal-Mart is the only one known to spend less than 8 percent on medical benefits. Separate legislation by Rep. Max Gruenberg, D-Anchorage, would require people applying for medical assistance to provide the names of their employers to the state. "This will allow the state to determine those employers who are not paying their fair share of health care costs," he said.

Kentucky – The Kentucky House Banking and Insurance Committee passed the Fair Share Health Care Act 15-4 on Wednesday, with three members voting "pass". "We have large entities that are riding on the backs of taxpayers," said Rep. Melvin Henley, R-Murray, a co-sponsor of House Bill 493. "We need some special regulations to control the mammoths among us."