

February 7, 2006

The Honorable Joe Baca
328 Cannon House Office Building
Washington, DC 20515

The Honorable Joe Baca,

Since its inception just one year ago, Wal-Mart Watch has raised awareness about the effects of Wal-Mart's business practices on local communities, our national economy and the global race to the bottom. We recognize that many Hispanics are adversely affected by Wal-Mart's business practices, and understand the critical role that the Congressional Hispanic Caucus has in exposing these bad business practices and encouraging the world's biggest employer to be a better corporate citizen.

Last week, Wal-Mart Stores Inc. was hit with an employment discrimination lawsuit filed by four former employees. According to court documents filed last week in Manhattan federal court, the four defendants, who are all from El Salvador, alleged they were denied more favorable compensation, terms, conditions and privileges of employment enjoyed by similarly situated employees who were not Hispanic. All four were employed in a Wal-Mart store in Airmont, N.Y.(just outside New York City), primarily as loaders in the receiving area. The complaint alleged that the four men were regularly assigned more arduous tasks than non-Hispanic employees, and that the reasons Wal-Mart cited for terminating their employment was a pretext for discrimination.

A Wal-Mart spokesperson responding to the suit said, "We are committed to providing an environment that is free of discrimination and harassment. Wal-Mart does not tolerate discrimination or harassment of any kind." However, the company has a long history of discrimination, including the following:

- They currently are the defendants in the largest class action law suit in history by 1.6 million women for gender discrimination.
- They face allegations about racist discrimination in their hiring of truck drivers. While 15% of truck drivers nationwide are African American only 2-3% of Wal-Mart truck drivers are African American.
- In 2001, Wal-Mart agreed to settle 13 lawsuits in 11 states that were filed by the Equal Opportunity Employment Commission on behalf of people with disabilities.

Furthermore, the discrimination is not isolated to their employees. Lawsuits have been filed for racial profiling of their customers and racial discrimination has even been a problem on their website.

Perhaps even more troubling than examples of day to day discrimination is the evidence that shows that such incidents are a symptom of a broader culture that disregards the


long-term interests and needs of the public it pretends to serve. This culture is reflected in everything from the low wages and poor benefits it offers its employees, to the disregard Wal-Mart shows for its effect on small businesses, to its arrogant manhandling of suppliers as it forces them to send American jobs overseas, to its lack of thought about the working conditions in its supplier factories in Latin America. Rather than creating an economic step ladder, these policies help keep Americans in poverty and therefore secure a long-term customer base for Wal-Mart's stores.

So when thinking about Wal-Mart's real impact on the economic well-being of Americans and Hispanics, it is worth asking Wal-Mart:

- How many Hispanics are currently in management positions?
- What is the median wage by job category in stores that operate in Hispanic communities?
- What is Wal-Mart's road-map to enforce its own code of conduct in its factories in Latin America?

I hope this letter serves as a first step in developing a working partnership with the CHC on these important issues. I hope you will call on me or my Director of Strategic Outreach, David Nassar, at 202-557-7440, so that we can embark on this crucial campaign together.

Sincerely,

A handwritten signature in black ink, appearing to read 'AG', followed by a horizontal line extending to the right.

Andrew Grossman
Executive Director