

Congress of the United States
House of Representatives
Washington, DC 20515

January 10, 2013

Mr. Michael T. Duke
Chief Executive Officer
Wal-Mart Stores, Inc.
702 SW 8th Street
Bentonville, AR 72716

Dear Mr. Duke:

We are writing regarding new allegations that Wal-Mart systematically bribed officials throughout Mexico in order to evade zoning, environmental, and permitting laws at the company's Bodega Aurrera store in Teotihuacan, Mexico. We are concerned that your company's public statements that the company was unaware of the allegations appear to be inconsistent with documents we have obtained through our investigation. Contrary to Wal-Mart's public statements, the documents appear to show that you were personally advised of the allegations in October 2005.

Last month, the New York Times reported that Wal-Mart paid hundreds of thousands of dollars in bribes to secure approvals to build its store in Teotihuacan on the site of ancient ruins. Although the local jurisdiction adopted a zoning map that would have prevented Wal-Mart from building its store, the New York Times reported that "Wal-Mart de Mexico arranged to bribe an official to change the map" before it was published in a newspaper, which was the final requirement before the zoning map became law.¹ According to the New York Times, other payments were made to the mayor and the National Institute of Anthropology and History (INAH). The New York Times described the Wal-Mart store in Teotihuacan as "the most controversial Wal-Mart in Mexico, a powerful symbol of globalism's impact on Mexican culture and commerce."²

In response to this report, the New York Times reported that your company spokesman "said that while executives in the United States were aware of the furor in Teotihuacán they did not know about the corruption allegations."³ However, documents obtained by our staffs from a confidential source indicate that you and other senior Wal-Mart officials were personally informed about these bribery allegations on multiple occasions.

¹ *The Bribery Aisle: How Wal-Mart Got Its Way in Mexico*, New York Times (Dec. 17, 2012) (online at www.nytimes.com/2012/12/18/business/walmart-bribes-teotihuacan.html?ref=global-home&_r=1&).

² *Id.*

³ *Id.*

For example, on November 1, 2005, Maritza Munich, then General Counsel of Wal-Mart International, e-mailed you and several other senior Wal-Mart officials about specific allegations made by Sergio Cicero Zapata, the former in-house counsel for Wal-Mart de Mexico who was in charge of obtaining building permits throughout Mexico, relating to bribes paid to obtain permits for the Teotihuacan store. Her e-mail forwarded a summary of an interview of Mr. Zapata, which stated:

The payments at the Teotihuacan site were made only to the majority of the Municipal Council because of the difficulty to address all political parties. Eventually the agreement was only reached with the PRI and PRD representatives (sufficient to secure a majority) for a total net payment of 1.2 million pesos.⁴

The document also stated: "Likewise, the National Institute of Anthropology and History ("INAH") required an official donation of \$500,000.00 pesos and also a personal irregular gift of \$400,000.00 for the INAH's Director."⁵

Two weeks earlier, on October 15, 2005, Wal-Mart General Counsel Thomas Mars sent an e-mail to you and Tom Hyde, the Executive Vice President of Wal-Mart Stores, Inc. Notes from an interview with Mr. Zapata which appear to be attached to this e-mail also referenced bribes paid to obtain permits for the Teotihuacan site.⁶

In addition, preliminary results from an internal investigation initiated by Wal-Mart's Internal Audit Services, but closed in 2006, appear to have confirmed these allegations. Documents we have obtained show that check requests were made for the Teotihuacan project for "payment to a gestoria for obtaining the Road/Highway Ruling" and "payment for certification of excavation actions carried out by the INAH."⁷

⁴ E-mail from Maritza Munich, General Counsel, Wal-Mart International, to Mike Duke, Vice Chairman, Wal-Mart International, Craig Herkert, President and Chief Executive Officer of the Americas for Wal-Mart Stores, Inc., Tom Hyde, Executive Vice President, Wal-Mart Stores, Inc., Thomas Mars, General Counsel, Wal-Mart Stores, Inc., Lee Stucky, Chief Administrative Officer, Wal-Mart International, Michael Fung, Senior Vice President, Internal Audit Services, Wal-Mart Stores, Inc., and Kenneth Senser, Vice President for Global Security, Wal-Mart Stores, Inc. (Nov. 1, 2005).

⁵ *Id.*

⁶ E-mail from Thomas Mars, General Counsel, Wal-Mart Stores, Inc., to Mike Duke, Vice Chairman of Wal-Mart International and Tom Hyde, Executive Vice President and Corporate Secretary, Wal-Mart Stores, Inc. (Oct. 15, 2005) ("To secure the approval from the Municipal Council and with the active reporting at that time to Jose Luis Rodriguez, Mex\$1,250,000.00 were delivered to 7 of the 11 Municipal County Members."); *Id.* ("The National Institute of Anthropology and History (INAH) asked for an official donation of Mex\$400,000.00 but the INAH's President received an irregular payment of Mex\$150,000.00 to give approval for the corresponding construction site given its proximity to the archaeological site.").

⁷ Site: Bodega Teotihuacan, Urgent Check Request Memo.

These documents appear to be genuine. On January 9, 2013, we shared them with your counsel and asked him to advise us by January 10, 2013, if Wal-Mart disputes their authenticity. Your counsel did not raise any question about their authenticity.

These documents and e-mails call into question your company's statement that "[n]one of the associates we have interviewed, including people responsible for real estate projects in Mexico during this time period, recall any mention of bribery allegations related to this store."⁸ It would be a serious matter if the CEO of one of our nation's largest companies failed to address allegations of a bribery scheme.

The e-mails also cast a new and unfavorable light on Wal-Mart's continued unwillingness to provide our investigators with access to Ms. Munich, who appears to be a key witness who would know about your knowledge of the Teotihuacan bribes. On June 13, 2012, your attorneys informed us that you were in the process of working through a protocol that would allow Ms. Munich to speak with our investigators. Since then, however, we have received no additional information from Wal-Mart about when you intend to make Ms. Munich available to our investigators. This ongoing delay frustrates our investigation.

We respectfully request that you explain your knowledge of the Teotihuacan bribery allegations by January 24, 2013. We also ask that by the same date you authorize Ms. Munich to speak to our investigators without any limitations on what she can say that relates to bribery allegations and Wal-Mart's response.

If you have any questions regarding this request, please contact Una Lee of the Oversight Committee staff at (202) 225-5051 or Tiffany Benjamin of the Energy and Commerce Committee staff at (202) 226-3400.

Sincerely,



Elijah E. Cummings
Ranking Member
Committee on Oversight and
Government Reform



Henry A. Waxman
Ranking Member
Committee on Energy and
Commerce

cc: The Honorable Darrell E. Issa, Chairman
Committee on Oversight and Government Reform

The Honorable Fred Upton, Chairman
Committee on Energy and Commerce

⁸ *The Bribery Aisle: How Wal-Mart Got Its Way in Mexico*, New York Times (Dec. 17, 2012) (online at www.nytimes.com/2012/12/18/business/walmart-bribes-teotihuacan.html?ref=global-home&_r=1&).