

U.S. retail giant Walmart announced it is "working aggressively" to find out what happened in Mexico after *New York Times* allegations it tried to cover up a bribery campaign organized by senior executives in the country to speed up expansion. 

In a statement the retailer said it took compliance with the U.S. Foreign Corrupt Practices Act (FCPA) "seriously" and was committed to having strong and effective global anti-corruption programs in every country where it operated.

"We will not tolerate non compliance with the FCPA anywhere or at any level of the company. We are committed to getting to the bottom of this matter," the company said.

The *New York Times* reported that in 2005 a senior Walmart lawyer was told by a former executive how Walmart Mexico had allegedly orchestrated a campaign of bribery to win market dominance.

In particular, the company had allegedly paid bribes to obtain permits in nearly every part of the country in its rush to build stores. Walmart sent investigators to look into the matter who discovered a paper trail of hundreds of suspect payments totaling more than US\$24 million.

The lead investigator, a former FBI special agent, recommended the investigation be expanded but the newspaper claimed Walmart's top brass recommended it be shut down.

However, the *New York Times* said neither American nor Mexican law enforcement officials were notified, nor were Walmart Mexico's leaders disciplined. In fact, its chief executive Eduardo Castro-Wright, who was identified by the former executive as the driving force behind the bribery, was promoted to vice chairman of Walmart in 2008.

Walmart said many of the *New York Times*' allegations were more than six years old and were not a reflection of what the company stands for.

It said it had strengthened its FCPA compliance in Mexico enhancing internal controls, training, auditing procedures and issue escalation and remediation protocols.

"We have met voluntarily with the U.S. Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) to self-disclose the ongoing investigation on this matter. The company's outside advisors have and will continue to meet with the DOJ and SEC to report on the progress of the investigation."

The allegations are a significant setback to the retailer, which was relying on emerging



markets to keep sales growing. Mexico became Walmart's first overseas market in 1991 and the country is one of the most successful with 2,088 stores and sales of US\$29 billion last year.

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