

NECC

North East Community Council

January 19, 2006

Resolution 4

TO: Jerry Weaver, Zoning Division Supervisor
Assemblyman Ken Stout
Assemblyman Paul Bauer

FROM: Bob Roses, President Northeast Community Council, 333-6461

THRU: Peggy Robinson, Parliamentarian and Acting Secretary Northeast
Community Council, 333-1831

SUBJECT: Wal-Mart Superstore and Sam's Club construction in the Muldoon Area

At the North East Community Council Meeting on January 19, 2006, the following resolution was approved by a vote of 25 for, 0 against, and 3 abstentions:

"The North East Community Council opposes the efforts of Wal-Mart to build a Superstore and Sam's Club on the north side of Debarr Road between Creekside and Patterson Streets for the following reasons:

1. Numerous Wal-Mart corporate policies that take financial advantage of employees have been successfully challenged in the courts:
 - a. As of the printing of their 2005 Annual Report, Wal-Mart faced 44 wage and hour lawsuits. Class-action lawsuits have either been won or are working their way through the legal process in California, Indiana, Minnesota, New Jersey, Oregon, and Washington. [Wal-Mart Annual Report 2005]
 - b. A California jury in December awarded 115,919 Wal-Mart current and former employees \$172 million for illegally denied lunch breaks, while Wal-Mart settled a similar Colorado case in 2004 for \$50 million that covered 69,000 employees.
 - c. Wal-Mart was recently ordered by courts to pay up to 120 workers in Gallup, New Mexico and 400 workers in 27 stores in Oregon for violating wage and hour laws.
 - d. Last May, Wal-Mart agreed to pay an \$11 million civil fine to end a federal probe into the use of illegal immigrants at stores in 21 states, including New Jersey.
 - e. The US Labor Department reached the settlement in January 2005 after finding 85 child labor violations at Wal-Mart stores in Connecticut, New Hampshire and Arkansas, involving workers under 18 who operated dangerous machinery, including cardboard balers and chain saws. Wal-

Mart settled the investigation by agreeing to pay \$135,540, but it continued to deny any wrongdoing.

- f. An internal memo sent to Wal-Mart's board of directors (as reported on October 26, 2005 in the New York Times) proposes numerous ways to hold down spending on health care and other benefits while seeking to minimize damage to the retailer's reputation. Among the recommendations were hiring more part-time workers and discouraging unhealthy people from working at Wal-Mart.
 - g. On January 12, 2006, the Maryland House and Senate overrode the Governor's veto and voted to require all private employers in Maryland with 10,000 or more workers to spend at least 8% of their payroll on healthcare or contribute to the state's Medicaid program. Four Maryland companies employ that many workers; only Wal-Mart is believed to fall short of the 8% threshold.
2. Multiple discrimination class action suits, including one in California and one in Arkansas, accuse the retailer of discrimination against women, minorities, and those with disabilities.
- a. In the largest class-action lawsuit in history, 1.6 million current and former female employees are suing Wal-Mart for gender discrimination. Women comprise 92% of Wal-Mart's cashiers, but only 14% of the store managers. The female store managers earn about \$14,500 less (in 2001) than the male store managers.
 - b. Wal-Mart was fined in June 2005, \$188,000 by the California Fair Employment and Housing Commission for refusing to reinstate a woman after she completed her maternity leave.
 - c. Wal-Mart's health insurance does not cover birth control. Pregnant women are allowed only one ultrasound.
 - d. In Arkansas, a potential class action suit for race discrimination has been filed. Fifteen percent of on-the-road truck drivers in the United States are African-American, but Wal-Mart has from 2-3% among their 7,800 truck drivers.
 - e. In 2001, Wal-Mart agreed to pay \$6.8 million to settle 13 lawsuits in 11 states that were filed by the Equal Employment Opportunity Commission, alleging widespread discrimination against people with disabilities. In 2005, EEOC announced they were opening a new investigation to see if Wal-Mart had violated the terms of the 2001 settlement, due to complaints they continued to receive about the stores.
3. Wal-Mart's mission, (from the Wal-Mart web site): "In everything we do, we are driven by a common mission: to improve the quality of life for everyday people and the world," cannot be met in our community at the \$10.77 per hour Wal-Mart average wage for a cashier or sales associate in Anchorage, who typically works less than 30 hours per week. Nationally, the average pay for a Wal-Mart sales associate is \$14,000 a year.

4. Poor working conditions in the supplier factories have been reported but ignored or covered up, including firing whistleblowers.
 - a. Wal-Mart's global services manager until 2002 was fired after reporting on Honduran factories violating local wage and hour laws, lack of bathrooms and drinking water, and padlocked fire exits. He also reported on falsified reports of factory conditions.
 - b. A *Dateline* segment, which aired June 2005, highlighted a hidden-camera report on the conditions endured by workers in Bangladesh. Workers were forced to work 18-hour days, cheated out of overtime pay, and physically and verbally abused.

Until Wal-Mart resolves the aforementioned issues (including a longstanding opposition to union organizing of Wal-Mart employees) to the satisfaction of this community council, NECC will not support the construction of either a Wal-Mart Superstore or a Sam's Club in its council boundaries."

We ask that you act upon this motion as warranted in the interests of the NECC and the community of Anchorage as a whole. Thank you for your attention to this matter.

Signed:



Bob Roses, President NECC

This day:

01/25/06