CENTER FOR POLITICAL ACCOUNTABILITY

Political Transparency and Accountability Profile (2011)

Wal-Mart Stores, Inc. (WMT)

www.walmart.com

Sector: Consumer Staples

Recent Corporate Political Spending Developments

The January 2010 U.S. Supreme Court decision in *Citizens United v. Federal Election Commission* overturned several long-standing restrictions on corporate political spending activities. The Court's decision struck down part of the Tillman Act of 1907 that first limited corporate political spending. Under the new ruling companies may spend unlimited corporate funds on independent expenditures to support or oppose a candidate as long as they do not coordinate their efforts with the candidates, although they are still prohibited from contributing directly to federal candidates. Third-party groups such as trade associations also may use unlimited general purposes funds for independent expenditures.

Companies may also continue to contribute at the state and local level and to 527 groups. These groups—named for the section of the tax code under which they are organized—raise money for political purposes and may significantly impact federal, state and local elections. Companies also engage in political spending indirectly through their payments to trade associations, organized as 501(c)(6) organizations and other tax-exempt groups, which include social welfare organizations known as 501(c)(4)s. Trade associations and 501(c)(4) groups gained popularity during the 2008 election cycle in the wake of the Federal Election Commission's crackdown on 527 groups for violating campaign finance law during 2004 elections.[1] Another way companies can contribute to the political process is by supporting events such as Presidential inauguration celebrations and the Republican or Democratic Party conventions, a growing source of corporate support in recent years.[2] Company funds are also used to pay for trade associations' grassroots lobbying communications.

Wal-Mart's Political Spending Policy and Activity: Overview

Wal-Mart allows for corporate political spending with prior approval by its government relations department.[3] Wal-Mart belongs to trade industry associations, including the Retail Industry Leaders Association,[4] but does not list its membership in these groups on its website. It also does not disclose the

---

[1] See *Soft Money in the 2006 Election and the Outlook for 2008: The Changing Nonprofits Landscape*, Campaign Finance Institute, 2007. Approximately $90 million in 501(c) spending on federal election activities was reported in 2006. T.W. Farnam & Brody Mullins, "Interest-Group Campaign Spending Nears Record", *Wall Street Journal*, Feb. 5, 2008.

[2] See "Inside Fundraising for the 2008 Party Conventions: Party Surrogates Gather Soft Money While Federal Regulators Turn a Blind Eye," The Campaign Finance Institute, 2008. See: "The Inauguration: Brought to you by the Few, the Wealthy," Public Citizen, Jan. 14, 2009 available at http://www.citizen.org/pressroom/release.cfm?ID=2799, and "Lawmakers and Lobbyists Celebrate Inauguration," *The Washington Independent,* Jan. 20, 2009, available at http://washingtonindependent.com/26340/lawmakers-celebrate-inauguration-with-lobbyists.

[3] See Wal-Mart Statement of Ethics. Revised September 2008. Available at http://cdn.walmartstores.com/statementofethics/pdf/U.S_SOE.pdf.

[4] See Retail Industry Leaders Association "RILA Members," available at http://www.rila.org/Pages/RILAMembers.aspx

details of its political spending or the portion of its dues and other payments to its trade associations and other tax exempt groups that are used for political purposes.

Wal-Mart has spent approximately $12.3 million in corporate funds on political activities since 2002, according to publicly available data. The exact figure is difficult to determine because reporting at the state level is incomplete and can be misleading, and companies are not required to disclose other types of spending such as their indirect political purpose expenditures via third party groups. The above estimate also excludes payments Wal-Mart has made to trade associations or other tax-exempt organizations that fund political activities.

A growing number of companies have adopted disclosure and oversight of their political spending. Currently 85 companies in the S&P 500, including more than half in the S&P 100, have committed to disclosure of their political spending policies, the details of the spending, and oversight. Among sector-related companies, the following have committed to or currently disclose the above information pursuant to this model:

Consumer Staples Sector-Related Companies With Model Disclosure and Oversight		
Limited Brands	Staples	Starbucks

Shareholder Engagement Overview

Wal-Mart has received six shareholder resolutions asking for disclosure and oversight of its corporate-funded political spending since 2005.

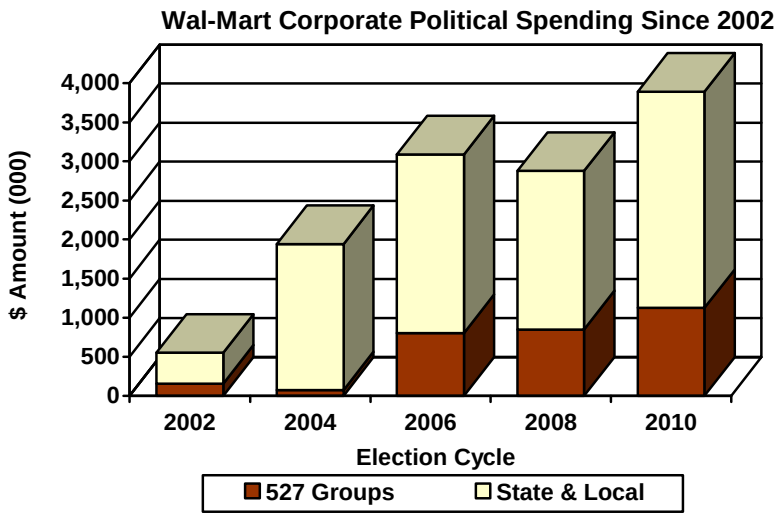
Year	Lead Shareholder	Votes in Support (Percent)
2010	Kansas City Firefighters	15
2009	Kansas City Firefighters	14
2008	Kansas City Firefighters	11
2007	Kansas City Firefighters	12
2006	Kansas City Firefighters	12
2005	Kansas City Firefighters	9

Election Cycle Spending

Wal-Mart has contributed approximately $3 million to 527 groups and $9.3 million to state level recipients since the 2002 election cycle.[5] See Figure 1.

[5] See Institute for Money in State Politics, www.followthemoney.org and CQMoneyline http://moneyline.cq.com/pml/home.do. The CPA used these databases to conduct searches on the company's political giving. The search results do not always distinguish between contributions made with corporate funds from those made by the company PAC. Though the CPA made every effort to exclude any PAC contributions, the figure cited in this report might include donations made with employee funds.

Figure 1



527 Spending

The Republican Governors Associations was the primary 527 group in receipt of company donations during these years. Similar groups which received significant donations from the company include the Republican State Leadership Committee, the Democratic Governors Association, and the Democratic Attorneys General Association. The RGA was criticized in mid-2008 for raising uncapped donations in the 2008 presidential election.[6]

527 Groups in Receipt of Wal-Mart Corporate Funds Since 2002[7]

Group	Total Amount Contributed
Republican Governors Association	$1,354,000
Republican State Leadership Committee - RSLC	$746,000
Democratic Governors Association	$623,000
Democratic Attorneys General Association	$105,000

State Level Activity

At the state level, Wal-Mart was politically active in California, Florida, and New York, contributing to individual candidates, parties, and ballot measure committees. The table below lists the top state recipients.

Wal-Mart State Level Spending Since 2002[8]

State	Total Amount Contributed
California	$3,293,000
Florida	$812,000
New York	$571,000
Arkansas	$542,000
Washington	$366,000

[6] Brody Mullins and T.W. Farnam, "McCain Allies Find Finance-Law Holes," *The Wall Street Journal*, Jul. 3, 2008, available at http://www.politicalaccountability.net/index.php?ht=a/GetDocumentAction/i/1369
[7] CQ PoliticalMoneyline, www.politicalmoneyline.com
[8] The Institute for Money in State Politics, www.followthemoney.org/

Wal-Mart's significant political spending has been viewed by some as an attempt to influence policy.[9] In 2006, for instance, a labor leader criticized Wal-Mart's contributions to Oregon officials who oversee the ports as an attempt to influence them to vote against security measures that would hurt Wal-Mart's profits.[10] A 2008 article reported that Wal-Mart and its trade association contributed to the two Senators on the Homeland Security committee who opposed measure to require scans of all incoming cargo to U.S. ports, which Wal-Mart and retail industry opposed.[11] One of those Senators, Susan Collins, introduced a bill to require only "high-risk" cargo to be scanned and which suggested that the technology would not exist by 2012 to scan all incoming cargo; Wal-Mart's trade association endorsed the bill. [12]

The *NY Daily News* reported that Wal-Mart made significant political contributions in New York in apparent attempt to win approval for a controversial Brooklyn store, which would be its first store in the city.[13] Additionally, in California, a City Council member voted for a project to build a Wal-Mart Supercenter after receiving a contribution from the project's development firm; he gave the money away after the vote to reduce appearance of conflict of interest.[14]

Ballot Measures

In 2006, Wal-Mart was heavily involved in two local California elections in the cities of Rosemead and Long Beach. The company gave $370,000 to Rosemead Neighbors Against the Recall, a committee sponsored by Wal-Mart to keep Rosemead City Council members Mayor Gary Taylor and Councilman Jay Imperial from being ousted in a recall election.[15] According to the *San Gabriel Tribune*, the political money Wal-Mart poured into the election was "the largest amount of money raised for a local election in the city's history, officials said." The paper added that in contrast, "the Rosemead Recall campaign [had] raised only $2,300." The recall campaign "came in response to a 2004 City Council decision to allow a Wal-Mart Supercenter at the corner of Walnut Grove Avenue and Rust Street" in Rosemead.[16]

Additionally in 2006, Wal-Mart gave around $270,000 to Long Beach Consumers for Choice, a committee sponsored by Wal-Mart to oppose an ordinance in the city of Long Beach banning big-box stores that sell groceries.[17] According to the City of Long Beach, the City Council voted to send voters the ordinance after Long Beach Consumers for Choice gathered enough valid signatures to qualify the measure for the ballot.[18]

In October 2004, shortly before an election, Wal-Mart made three contributions totaling to $648,000 – its largest contribution at the time to a single ballot measure – to Californians Against Government-Run Healthcare. The committee was formed to oppose a proposition to increase employer provided health care requirements. A late contribution of $500,000 by Wal-Mart sparked some controversy after the company was highlighted as providing inadequate health care coverage to its employees. A media report noted that while 450 companies funded the group, Wal-Mart's late contribution sparked controversy

---

[9] See, for example: Dicker, Frederic, "Dems Find Trouble In Ore - Return Wal-Mart Money," *The New York Post,* Aug. 30, 2010; P. 4.
[10] See: Sweeney, John J., "Wal-Mart's Dirty Secret Is Out," *The Seattle Post-Intelligencer*, Apr. 6, 2006; EDITORIAL; P. B9.
[11] See Malone, Julia, "Big boxes seek to delay cargo-security measure: Industry lobbies against law requiring 100% scanning." *The Atlanta Journal-Constitution*, Feb. 8, 2008; BUSINESS; Pg. 2G. See also Ellis, Kristi with contributions by Paul Morigi, "Industry Fills Election Coffers to Steer Issues," *Women's Wear Daily*, Oct. 28, 2008; SECTION: 1; Pg. 9 Vol. 196 No. 90.
[12] "Sens. Collins And Murray Introduce Bill To Extend Port Protections, Anti-Terrorism Act," Press Release, *US Fed News*, Apr. 14, 2011.
[13] See Gearty, Robert and Erin Durkin with Jake Pearson, "Buyin' Way Into N.Y.C.? Walmart Ripped For Giving Big Bucks To Pols." *Daily News*, Dec.17, 2010; NEWS; Pg. 21.
[14] "Whalen Fights Critics," Fresno *Bee,* Aug. 29, 2009; Local News. See also: Ellis, John. "Whalen given $2,900 after Wal-Mart's OK; Developer donated to the Clovis council member's campaign," Fresno *Bee,* Aug. 10, 2009; LOCAL NEWS; Pg. A3.
[15] California Secretary of State, Campaign Finance, http://cal-access.ss.ca.gov/Campaign/Committees/Detail.aspx?id=1013468&session=2005&view=contributions
[16] Christina L. Esparza, "Money talks in city recall," *San Gabriel Tribune*, Sep. 12, 2006.
[17] California Secretary of State, Campaign Finance, http://cal-access.ss.ca.gov/Campaign/Committees/Detail.aspx?id=1013468&session=2005&view=contributions
[18] "Big-Box Ban," City of Long Beach California, www.longbeach.gov/news/displaynews.asp?NewsID=2240&targetid=56

because it was viewed as an attempt to use its financial wherewithal to influence an election.[19] Much later, the company came out in favor of federal healthcare reform.[20]

Also in California, Wal-Mart gave $100,000 to support Proposition 77 in the state's 2005 special election.[21] The failed initiative would have transferred the implementation of state redistricting from the state's Legislature to a panel of three retired judges, selected by legislative leaders.[22]

Wal-Mart was active in contributing to California ballot measure committees during the 2002-2009 election cycles, giving a total of $1,173,000 to these committees during these years. In 2009, Wal-Mart contributed to Schwarzenegger's California Dream Team. In 2006, Wal-Mart gave $50,000 to Californians to Stop Higher Taxes, formed to oppose a proposition to establish a right to voluntary preschool for all four-year old children.[23] In 2004, the company gave $100,000 to Californians Against Higher Taxes- formed to oppose a proposition reducing budget approval requirements in the California legislature. Also in 2004, Wal-Mart contributed $50,000 to Californians Against Shakedown Lawsuits, was formed in support of a tort reform proposition.[24]

In 2010, Wal-Mart contributed to two Florida committees that opposed Amendment 4, a measure to require a vote on proposed land use plans before a local government could adopt or amend a new plan.[25] It gave $100,000 to Floridians for Smarter Growth[26] and $50,000 to Citizens for Lower Taxes and A Stronger Economy.[27]

Wal-Mart Contributions to Ballot Measure Committees[28]

Year	State	Recipient	Amount
2004	CA	Californians Against Government Run Healthcare	$648,000
2006	CA	Rosemead Neighbors Against The Recall	$370,000
2006	CA	Long Beach Consumers for Choice	$270,000
2005	CA	Citizens To Save California – Yes On Propositions 74 & 76	$100,000
2005	CA	Redistrict California – Yes On 77	$100,000
2004	CA	Californians Against Higher Taxes No On 56	$100,000
2010	FL	Floridians For Smarter Growth	$100,000
2003	TX	Yes On 12	$100,000

Independent Expenditures

The *Citizens United* decision allows corporations to fund independent expenditures using unlimited corporate treasury funds. In July 2010, the CPA and its investor partners surveyed the S&P 500, asking whether the companies intended to engage in independent expenditure activity, and if so, whether they planned on disclosing the expenditures and adopting appropriate oversight procedures. A majority of the responding companies stated that they do not intend to engage in this type of activity, while many respondents declined to state their position or commit to additional disclosure. Others noted that their policies were under review. Wal-Mart did not respond to the letter.

[19] See: "Wal-Mart: muscling into healthcare debate; Wal-Mart has contributed $500,000 to campaign against a Californian healthcare measure," *Datamonitor CommentWire*, Oct. 28, 2004
[20] See "Walmart Statement Regarding Healthcare Reform," at http://walmartstores.com/pressroom/news/9238.aspx
[21] California Secretary of State, Campaign Finance, http://cal-access.ss.ca.gov/Campaign/Committees/Detail.aspx?id=1013468&session=2005&view=contributions
[22] League of Women Voters of California Education Fund, www.smartvoter.org/2005/11/08/ca/state/prop/77/
[23] See Institute for Money in State Politics www.followthemoney.org.
[24] Ibid.
[25] See http://www.followthemoney.org/database/StateGlance/ballot.phtml?m=741
[26] See http://www.followthemoney.org/database/topcontributor.phtml?u=2772&y=0&incs=0&ince=0&incf=0&incy=0&so4=y#sorttable4
[27] Ibid.
[28] The Institute for Money in State Politics, www.followthemoney.org/

Trade Association Activity

Trade associations serve a variety of purposes. Some engage in political activity through contributions at the state and local level, grassroots lobbying, issue advocacy, and independent expenditures. These activities are funded by dues and other payments from member companies. While not all trade associations are politically active, several major industry groups carry significant political weight.

A complete list of the trade associations or related groups to which Wal-Mart belongs is not publicly available. Most associations only disclose the companies represented on their board of directors, not their entire membership list. Shareholders also do not have access to the amounts Wal-Mart pays to trade associations annually or the portion used for the associations' political spending.

A Center for Political Accountability review of publicly available information found that:

- Wal-Mart CEO Michael Duke serves on the **Business Roundtable**;[29]

- Wal-Mart U.S. President and CEO Bill Simon[30] and Wal-Mart Senior Vice President and Controller Steve Whaley[31] are members of **Retail Industry Leaders Association** RILA has drawn criticism for opposing legislation that would require scans of all incoming cargo to U.S. ports.[32]

- Wal-Mart is a member of RILA[33] and it partners with the **U.S. Chamber of Commerce**.[34] According to *The Atlantic*, The Chamber spent $145 million on political activities in 2009. This amount far "surpass(ed) that of both the Republican National Committee and the Democratic National Committee for the first time in recent memory."[35]

These groups have been politically active in recent years, and have taken positions on certain issues that contradict the company's own policies and positions. Between 2007 and 2009, the BRT's lobbying and political activity increased from $8.4 million to $13.4 million, 38 percent and 67 percent, respectively, of the total dues and other payments received by its members.[36] RILA more than doubled its lobbying and political expenditures between 2008 and 2009.[37] A 2008 article reported that RILA contributed significantly to the two Senators on the Homeland Security committee who opposed a measure to require scans of all incoming cargo to U.S. ports, which RILA opposed. [38] The Chamber doubled its lobbying and political expenditures between 2008 and 2009, when it spent $2 million opposing health care reform legislation and launched a $100 million campaign opposing other administration policies.[39] As noted above, Wal-Mart came out in favor of federal health care legislation, stating its support of an "employer mandate, strong efficiency provisions, and a 'trigger' mechanism to ensure cost reductions."[40]

Business Roundtable	2007	2008	2009

[29] See Business Roundtable Executive Committee, available at http://businessroundtable.org/about-us/executive-committee/.
[30] See Bill Simon biography, available at http://investors.walmartstores.com/phoenix.zhtml?c=112761&p=irol-govBio&ID=188156.
[31] See Steven Whaley biography, available at http://investors.walmartstores.com/phoenix.zhtml?c=112761&p=irol-govBio&ID=188160.
[32] See Sweeney, John J, "Wal-Mart's Dirty Secret Is Out," *The Seattle Post-Intelligencer*, Apr. 6, 2006; EDITORIAL, Pg. B9.
[33] See Retail Industry Leaders Association "RILA Members," available at http://www.rila.org/Pages/RILAMembers.aspx
[34] Wal-Mart lists its partnership with several trade associations including the U.S. Chamber of Commerce. http://walmartstores.com/Diversity/253.aspx
[35] Marc Ambinder, "The Corporations Already Outspend the Parties," *The Atlantic*; Feb. 1, 2010, available at http://www.theatlantic.com/politics/archive/2010/02/the-corporations-already-outspend-the-parties/35113/. In 2009, the Chamber spent $144.5 on political expenditures, while the RNC and DNC spent $97.9 million and $71.6 million, respectively.
[36] The Business Roundtable's 2009 IRS Form 990, available at www.Guidestar.org
[37] RILA's IRS Form 990s for 2008 and 2009, available at www.Guidestar.org
[38] Ellis, Kristi with contributions by Paul Morigi, "Industry Fills Election Coffers to Steer Issues," *Women's Wear Daily*, Oct. 28, 2008; SECTION: 1; Pg. 9 Vol. 196 No. 90.
[39] "The Influence Game: Chamber At Odds With Obama," *Associated Press*, Aug.6, 2009. Reprint available at http://www.msnbc.msn.com/id/32347257/ns/politics-white_house/.
[40] See "Walmart Statement Regarding Healthcare Reform," at http://walmartstores.com/pressroom/news/9238.aspx

Reported Dues ($ millions)	22.4	20.9	20.1
Lobbying and Political Expenditures ($ millions)	8.4	13.3	13.4
Percent of Dues and Payments Used for Lobbying and Political Purposes	*37.5*	*63.6*	*66.7*

(Source: IRS Form 990s, available at Guidestar.org)

Retail Industry Leaders Association	**2007**	**2008**	**2009**
Reported Dues ($ millions)	3.3	6.8	6.3
Lobbying and Political Expenditures ($ millions)	1.7	2.1	4.1
Percent of Dues and Payments Used for Lobbying and Political Purposes	*51.2*	*30.9*	*65.1*

(Source: IRS Form 990s, available at Guidestar.org)

U.S. Chamber of Commerce	**2006**	**2007**	**2008**	**2009**
Reported Dues ($ millions)	98.9	92.1	118.6	193.3
Lobbying and Political Expenditures ($ millions)	28.9	30.8	63.1	123.5
Percent of Dues and Payments Used for Lobbying and Political Purposes	*29.2*	*33.4*	*53.2*	*63.9*

(Source: IRS Form 990s, available at Guidestar.org)

A portion of the company's payments to these groups likely was used to underwrite some of this political spending. The company could face reputational or business risks from the political activities of trade associations or groups to which it makes payments. This risk is discussed in the *Handbook on Corporate Political Activity*, released by The Conference Board in November 2010. While "corporate leaders are aware that even when their own actions pose little risk," it notes, "the behavior of suppliers, trade associations, and other third parties has the potential to affect how their organizations are viewed."[41] Without disclosure of such payments made by the company, shareholders cannot assess these risks.

Inadequate disclosure can be problematic for another reason. Shareholders may not be able to evaluate whether the company's political giving aligns with the mission and values of the company. "[G]iven the relative freedom trade associations have to engage in political activity, it may be advisable for companies to inquire about how their own payments to trade associations are spent," the handbook notes. "Without this information about how its contributions are spent, a corporation may unwittingly end up supporting politicians or political causes with which the company may not want to be associated. It may also find its funds being used to promote positions that may not be aligned with its values or business strategies."[42]

Wal-Mart has enacted several policies to address climate change[43] and is "supporting legislation in the U.S. to reduce greenhouse gas emissions — including the enactment of a well-designed cap-and-trade system."[44] Wal-Mart has partnered with the U.S. Chamber of Commerce, whose position on climate change has been controversial for at least the past decade,[45] although it toned down its language in

[41] *Handbook on Corporate Political Activity: Emerging Corporate Governance Issues*, The Conference Board, Nov. 2010, p.15. Available at www.politicalaccountability.net
[42] Ibid.
[43] See Climate Policy, available at http://walmartstores.com/Sustainability/9555.aspx. See also Wal-mart's Foundation in the U.S. in the Wal-Mart Global Sustainability Report 2009, available at http://walmartstores.com/sites/sustainabilityreport/2009/s_cg_WMFoundation.html. See also http://walmartstores.com/Sustainability/7758.aspx and http://walmartstores.com/pressroom/news/30.aspx.
[44] See Overview of Wal-Mart Global Sustainability Report 2009, available at http://walmartstores.com/sites/sustainabilityreport/2009/en_climate.html.
[45] Ann McFeatters, "EPA relaxes clean air rules: Policy move angers environmentalists," *Pittsburgh Post-Gazette*, Nov. 23, 2002, available at http://www.post-gazette.com/healthscience/20021123cleanairenviron2p2.asp.

2010.[46] Several companies, including Apple,[47] Exelon and PG&E,[48] withdrew their memberships from the Chamber because of differences over the issue. Other member companies such as Nike and Johnson & Johnson, which publicly support action on climate change, have expressed concerns about the implications of the conflicting positions.[49]

Transparency and Accountability Checklist

Publicly Disclosed Standards & Procedures Governing Corporate Political Activity

The CPA derived the following checklist from existing legal standards, best practice standards among leading corporations and policies that ensure protection of shareholder value. Some of the standards and best practices are included the *Handbook on Corporate Political Activity*.[50] A company that fulfills most of the criteria listed below likely has good governance of its corporate political spending. The CPA relied on information that is disclosed on the company website and therefore publicly available to all investors. A company will not get credit for policies or procedures that are not publicly available.

Industry Comparison

Retail sector companies such as Limited Brands, Staples and Starbucks and have committed to or currently disclose the details of their direct and indirect political spending and oversight policies, and have implemented board oversight.

Positive Practices

Wal-Mart discloses its affiliation with some trade associations and other tax-exempt groups. The company also discloses the policies and procedures that regulate its political spending in its code of ethics.

Room for Improvement

Wal-Mart does not disclose its political contributions or the payments it makes to trade associations and other tax-exempt groups that are used for political purposes.

Basic Disclosure

Is the following information disclosed on the company's website?

Policy on corporate political contributions and expenditures	**yes**[51]
The recipients and amounts of its political spending	**no**
Memberships in trade associations and other tax-exempt groups	**partial**[52]
Payments to trade associations and other tax-exempt groups used for political purposes	**no**

[46]See US Chamber of Commerce webpage on climate change, available at http://www.uschamber.com/issues/environment/climate-change, states, and "Measures taken to address any stated climate change challenge… must not harm the United States economy… The Chamber will work to discourage ill-conceived climate change… measures that could severely damage the… economy of the United States."

[47]See also: David A. Fahrenthold, "Apple Leaves U.S. Chamber Over Its Climate Position," Washington *Post*, Oct. 6, 2009, available at http://www.washingtonpost.com/wp-dyn/content/article/2009/10/05/AR2009100502744_pf.html.

[48]Clifford Krauss and Kate Galbraith, "Climate Bill Splits Exelon and U.S. Chamber," *New York Times*, Sep. 29, 2009, available at http://www.nytimes.com/2009/09/29/business/energy-environment/29chamber.html?_r=1&pagewanted=print.

[49]Ibid..

[50]*Handbook on Corporate Political Activity: Emerging Corporate Governance Issues*, The Conference Board, Nov. 2010. Available at www.politicalaccountability.net

[51]See Wal-Mart Statement of Ethics, revised September 2008. Available at http://cdn.walmartstores.com/statementofethics/pdf/U.S_SOE.pdf

[52] Wal-Mart lists its partnership with several trade associations including the U.S. Chamber of Commerce. http://walmartstores.com/Diversity/253.aspx.

Standards & Oversight Procedures
Do company policies explicitly include the following items?

The use of corporate funds for political purposes is prohibited	**no**
Political contributions permitted only through voluntary employee-funded PAC contributions	**no**
No contribution will be given in anticipation of, in recognition of, or in return for an official act	**yes**[53]
Company will not reimburse employees directly or indirectly for political donations or expenses	**yes**[54]
No employees will be pressured to make any personal political expenditures	**no**
Political contributions policies are included in Code of Conduct	**yes**[55]
Political contributions policies are disclosed elsewhere on the company website	**no**
Political contributions policies include specific criteria for approval of political donations	**no**
Prior approval required for political contributions	**yes**[56]
Officer or department must approve political contributions	**yes**[57]
General counsel or legal department must approve political contributions	**no**
An executive officer of the company must approve political contributions	**no**
Board of directors or board committee oversees political contributions	**no**
Board of directors or board committee must issue prior approval for political contributions	**no**
The same standards and oversight procedures apply to payments made to trade associations and other tax-exempt groups that are used for political purposes	**no**

This checklist relies on the company's publicly disclosed information and reflects only external company standards and procedures. It does not measure compliance with the company's expressed standards and procedures. Any clear violations of the company's standards and procedures of which the CPA is aware will be included in this report.

Report Date: April 19, 2011

[53] See Wal-Mart Statement of Ethics. Revised September 2008. Available at http://cdn.walmartstores.com/statementofethics/pdf/U.S_SOE.pdf.
[54] Ibid.
[55] Ibid.
[56] Ibid.
[57] Ibid.