

## **RETAIL GIANT FINED IN ALIEN INQUIRY**

### **WAL-MART SETTLES ILLEGAL-LABOR CASE**

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### **Body**

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LITTLE ROCK, Ark. -- **Wal-Mart** Stores Inc. escaped criminal charges but agreed Friday to pay \$11 million, a record **fine** in a civil immigration **case**, to end a federal probe into its use of illegal immigrants to clean floors at stores in 21 states.

A dozen contractors who actually hired the laborers for work inside stores for the world's largest retailer agreed to plead guilty to criminal immigration charges and together pay an additional \$4 million in **fin**es.

"This **case** breaks new ground not only because this is a record dollar amount for a civil immigration settlement, but because this settlement requires **Wal-Mart** to create an internal program to ensure future compliance with immigration laws by **Wal-Mart** contractors and by **Wal-Mart** itself," said Michael J. Garcia, assistant secretary for U.S. Immigration and Customs Enforcement.

"We plan to use this settlement as a model for future **cases** and efforts in work site enforcement," he said.

**Wal-Mart** received a target letter from a grand jury in Pennsylvania and was the subject of an October 2003 raid spanning 21 states and 60 stores. The raids led to the arrest of 245 allegedly illegal immigrants.

**Wal-Mart**, which has 1.2 million domestic workers, had pledged its cooperation in the investigation.

"We are satisfied that this is being **settled** as a civil matter," **Wal-Mart** spokeswoman Mona Williams said from the company's Bentonville, Ark., headquarters. "Despite a long, thorough and high-profile investigation, the government has not charged anyone at **Wal-Mart** with wrongdoing."

Federal officials said the **fine** money would go to the Treasury Forfeiture Fund and will be spent on "promoting future law enforcement programs and activities in this field by U.S. Immigration and Customs Enforcement."

No longer does **Wal-Mart** employ outside contractors to clean its floors. Companies that do contract work for other chores will have stricter rules to follow to win those contracts, and upper management will have to approve contracts of more than \$10,000, Williams said.

The probe began in 1998 and ended with the big raids on Oct. 23, 2003.

Among those arrested in the raids were eight people who worked for **Wal-Mart** itself. Williams said the eight had been hired from floor cleaning companies as **Wal-Mart** began to clean its floors with its own workers. Williams said those workers had documents that appeared to be valid and said the law prevented the company from challenging those documents.

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"We were between a rock and a hard place," she said.

Williams said no executives or mid-level managers knew the contractors had hired illegal immigrants, a statement reflected in the consent decree.

An employer can face civil and criminal penalties for knowingly hiring illegal immigrants or failing to comply with certain employee record-keeping regulations.

Once investigators moved in, **Wal-Mart** told its executives to preserve documents. Federal agents didn't wait and took boxes from the office of a mid-level executive at the company's Bentonville headquarters. That executive still works for the company, Williams said.

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