

Wal-Mart's Sweetheart Deal

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February 16, 2005

Wal-Mart may be the most visible offender of good workplace practices—it's the retail giant progressives love to hate, with good reason. Exhibit A: In a recent deal with the government, Wal-Mart agreed to pay a small fine for breaking child labor laws, with the understanding that next time the feds want to investigate, the retailer will be warned ahead of time. Jonathan Tasini says we can't reform the corruption of the corporate landscape overnight, but a Safe Workplace Act would at least mandate true punishments for offenders—not sweetheart deals.

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The administration has gotten used to the idea that it can hoodwink us (weapons of mass destruction, a phony Social Security “crisis”), which is part of the lens through which we should view the recent Wal-Mart scandal. After Wal-Mart was found breaking the law on child labor, the government fined the company a measly \$135,000 (and change) and signed a deal with Wal-Mart that says "Next time we want to investigate what laws you might be breaking, we're going to tell you about the investigation before we do it"—just to give you enough time to cover your tracks, shred documents or muddle the trail.

Of course, this is absurd and can only exist in a world where a tax cut for the rich is called the “Jobs and Growth Plan.” But there is a different part of this whole game that has annoyed me for a long time and has been missed by the media coverage (which has been scant). While *The New York Times*' Steven Greenhouse deserves kudos for bringing to light the story of the Department of Labor's promise to alert Wal-Mart prior to launching an investigation, the big point is this: Wal-Mart endangers children and then gets away with a fine of 135 grand and change. Does anyone have a calculator to figure out what percentage that financial “penalty” represents to a company that had sales of \$256 billion in 2003 or to the five Walton kids who are worth almost \$100 billion? And, by the way, that damn fine is considered a business expense that Wal-Mart deducts from its taxes (unlike poor slobs like you and me, who cannot deduct legal fines).

Moreover, as part of the deal with the government, the company signed a paper that says it denied any wrongdoing. So the whole game is a hoax and charade. Everyone knows Wal-Mart broke the law. But using spin and doublespeak befitting a political race, the government says Wal-Mart will pay a fine, making it appear as if the government is really doing something about an act the company continues to say it didn't do. It's appalling.

We have a system in America that encourages companies to violate the law because it's a tiny cost of doing business. Sure, it's a scandal that Wal-Mart will now get tipped off when the feds want to come visit. But even if investigators descend like Elliot Ness on Wal-Mart's Bentonville, Ark. headquarters, Wal-Mart will happily write a check for 135 grand and change 10, 20 or 100 times a year if the trade-off is to keep those registers humming and piling up the cash.

Crimes against people at work will never stop until we start putting corporate executives in jail, and not just for stock manipulation and accounting frauds. How fast do you think Wal-Mart would clean up its act—stop violating child labor laws, stop locking store cleaners inside the stores at great risk to their lives, stop illegally firing workers who try to unionize, stop discriminating against women—if Wal-Mart CEO Lee Scott or maybe one of the Wal-Mart kid billionaires spent a few days, weeks or months (I won't be so naïve as to suggest years) in the pokey?

Indeed, our standards for crimes against people at work verge on the hypocritical. Outside of the workplace, endangering the welfare of a child can land a parent in jail. We easily pass laws for drug crimes, and in some states like my own New York, we plop people behind bars for life terms if it's a third offense—for a crime that is often less severe than the death or severe injury of someone at work.

As an aside and a topic for a future column, jail sentences are just a reaction to a symptom of a deeper flaw in our system: Once a person walks through the door of the workplace, he or she loses basic rights we all take for granted like liberty and free speech. The only way to stop corporate misconduct against workers is to empower people to shape the conditions at work (mainly by having the real right to unionize), and strip away the power corporations have under our system to create conditions that lead to child labor violations.

But until we can reconfigure the corporate landscape, there is a place here for action. Wal-Mart's crimes against children should spark a push for a Safe Workplace Act. With mounting pressure on workers—weak wages, vanishing pensions, evaporating health care, crushing personal debt—there is unease over the ever-growing untrammled power of corporations. Maybe Barbara Boxer, the Senate's heir to the legacy of Paul Wellstone, or George Miller, the most tenacious defender of workers rights in the House, could team up on a sweeping bill that calls for mandatory jail times for corporate executives who violate workplace laws. It would be great policy—and good politics.