

Wal-Mart's Political Contributions **to Anti-Environment Candidates**

**Corporate Ethics International
and Friends of the Earth**

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As one of the largest companies in the world, with an expanding global presence, environmental problems are OUR problems... There are not two worlds out there, a Wal-Mart world and some other world.

- Wal-Mart CEO Lee Scott, "Twenty First Century Leadership," October 24, 2005

In his October 2005 speech, Lee Scott listed a number of environmental challenges that we face, including climate change, air and water pollution, and habitat loss, and the need for the company to address its own impacts on the environment. Coming on the heels of Hurricane Katrina, his speech emphasized the need to reduce the company's global warming impacts. And even more recently, inviting Al Gore to Bentonville seemed an even bigger statement of the company's desire to take this and its other environmental impacts seriously.

But Wal-Mart gives millions of dollars in political contributions to candidates who oppose environmental protection. How can the company expect to be taken seriously on its environmental commitments when its political actions are so clearly aimed in the opposite direction? **From Congress to the White House, Wal-Mart's campaign dollars are supporting an anti-environmental agenda far different than the company's new public relations campaign would have Americans believe.**

Political Campaign Spending

The Wal-Mart Stores Inc. PAC For Responsible Government (Wal-Mart PAC) is the nation's third largest corporate political action committee (PAC)¹ and the largest PAC in the retail industry.²

During the 2005-2006 election cycle, Wal-Mart has contributed over \$1.7 million to federal candidates, other PACs, and political parties.³ In the 2003-2004 cycle, Wal-Mart contributed over \$2.2 million to federal candidates, other PACs, and political parties.⁴

Congress

During the 2006 electoral cycle, Wal-Mart PAC supported 33 Members of Congress who scored zero percent (0%) on the League of Conservation Voters (LCV) National Environmental Scorecard for the 109th Congress.⁵

During that same period, Wal-Mart contributed to only one Member of Congress who scored one hundred percent (100%) on the LCV scorecard (Representative Henry Waxman, D-CA; Senator Robert Menendez, D-NJ, returned a contribution).

During the 2006 election cycle, thirty-nine percent (39%) of Wal-Mart PAC's contributions to Members of Congress went to 109 Members of Congress scoring at 10% or below on the LCV Scorecard.

Two-thirds (66%) of Wal-Mart's contributions over these same years went to 173 Members of Congress who received a failing LCV grade of under 50%.

During the 2006 election cycle, Wal-Mart contributed to 187 Members of Congress who voted *against* improving fuel efficiency standards for cars and light trucks.⁶ Wal-Mart has stated that reducing global

¹ Source: Corporate Accountability International: http://www.stopcorporateabuse.org/files/pdfs/Wal-Mart's_Political_Profits.pdf

² Source: OpenSecrets.org

³ Source: Federal Election Commission. At the time of this writing, the election cycle is in process. All contributions have not yet been reported.

⁴ Source: Federal Election Commission.

⁵ Source: Federal Election Commission and League of Conservation Voters "2006 National Environmental Scorecard"

warming is one of its primary environmental objectives, and fuel efficiency standards are considered a critical tool for reducing global warming pollution.

In addition, Wal-Mart contributed to 206 Members of Congress who voted for the 2005 Energy Bill in the 109th Congress. This legislation is considered one of the most harmful anti-environmental pieces of legislation in the past decade. Not only does the bill fail to include meaningful solutions to our energy and global warming problems, but it would also turn back the clock by weakening environmental laws and giving away billions in tax breaks and subsidies to oil, gas and coal companies.⁷

Wal-Mart's political contributions include giving money to some of the most anti-environmental Members of Congress during the 2006 electoral cycle, a number of whom lost their Congressional seats in the election:

Richard Pombo (R-CA) \$6,000

Rep. Pombo was widely considered the most anti-environmental member of the House; his lifetime LCV rating was a mere seven percent (7%). Rep. Pombo used his perch atop the powerful Resources Committee to push through legislation opening pristine coastal areas to drilling, handing over billions in subsidies and other giveaways to oil companies, weakening the Endangered Species Act and lifting protections for national forests. He even proposed legislation that would sell national parks to private developers. ***Despite Rep. Pombo's well-known anti-environmental record, Wal-Mart's final contribution to him came on October 20, less than three weeks before he lost his seat on Election Day.***

George Allen (R-VA) \$10,000

Sen. Allen had one of the Senate's worst lifetime LCV scores, only one percent (1%). He was a vociferous supporter of opening new offshore areas to oil and gas drilling, including those off Virginia's beaches that are currently protected by a moratorium against drilling. Sen. Allen lost his reelection campaign.

Charles Taylor (R-NC) \$2,500

Rep. Taylor was among the most anti-environmental House members, with a lifetime LCV score of only five percent (5%). He served as chairman of the House Interior and Environment Appropriations subcommittee, and he has used this powerful position to push through draconian budget cuts for programs that protect our air, water, wildlife and open spaces. Rep. Taylor lost his reelection campaign.

Dan Boren (D-OK) \$3,500

Rep. Boren is finishing his first term in the House and already has established himself as one of its most anti-environment members. He earned a twenty-eight percent (28%) LCV score his first year in Congress, a score which dropped precipitously—all the way to zero—in 2006. He supported energy legislation that handed over billions in tax breaks to oil companies, opposed making vehicles more efficient and voted to allow more drilling off pristine coastal areas.

Conrad Burns (R-MT) \$3,500

Sen. Burns had one of the Senate's worst environmental records, with a lifetime LCV score of only four percent (4%). As chair of the Senate Interior and Environment Appropriations subcommittee, he used his leadership position to push through anti-environment appropriations riders weakening laws that protect our air, land and wildlife. Sen. Burns lost his reelection campaign.

⁶ League of Conservation Voters "2005 National Environmental Scorecard" (170 House Members who voted in 2005 against the Boehlert-Markey amendment to H.R. 6 and 17 Senators who voted in 2005 against the Durbin amendment to S. 10).

⁷ League of Conservation Voters "2005 National Environmental Scorecard" (186 House Members and 20 Senators who voted in 2005 for the Conference Report for H.R. 6, the Energy Policy Act of 2005).

The White House

In the two past presidential elections, Wal-Mart PAC contributed to George W. Bush's campaign for president.⁸

On Wal-Mart's stated environmental priorities Bush's record is poor. The U.S. is the largest emitter of global warming pollution in the world, yet early in his presidency Bush rejected the Kyoto Protocol, an international agreement to curb global warming emissions. The administration's approach since then has not changed.

The Competition: How they Compare

...we don't believe a public company should take shareholders' money and support political candidates or causes...I'm a merchant, not a politician.

- Costco CEO James D. Sinegal as quoted in *BusinessWeek*, April 17, 2006⁹

Costco Wholesale Corporation is the biggest wholesale club retailer in the United States, beating out Wal-Mart's Sam's Club. Together, Costco and the Target Corporation are Wal-Mart's chief big box competitors in the U.S.¹⁰ They sit at numbers 28 and 29 respectively on the Fortune 500, behind Wal-Mart at number 2.¹¹

Costco

In sharp contrast to Wal-Mart, Costco makes no political contributions to federal candidates or PACs. It has not established a corporate PAC.¹²

Target

Target has a corporate PAC, the Target Citizens Political Forum PAC. During the current election cycle, it has contributed over \$380,000 to federal candidates and other PACs. During the 2003-2004 election cycle, Target's PAC contributed over \$286,000 to federal candidates and other PACs.¹³

In the 2006 electoral cycle, Target supported five (5) candidates for Congress who scored zero percent (0%) on the League of Conservation Voters National Environmental Scorecard for the 109th Congress.¹⁴

About us

Corporate Ethics International (CEI) is focused on developing the capacity of the corporate campaign movement to achieve social and environmental changes in the behavior of corporations, and on fundamentally transforming the role of corporations in our society. CEI is based in Portland, Oregon.

Friends of the Earth (FoE) is a national environmental advocacy organization in the United States, founded in 1969. FoE is a member of the Friends of the Earth International network, the world's largest grassroots environmental federation with groups in 70 countries worldwide.

⁸ Source: Federal Election Commission

⁹ Source: "Companies in the Crossfire," *BusinessWeek*, Richard S. Dunham, April 17, 2006

¹⁰ Source: Hoover's Inc., www.hoovers.com

¹¹ Source: Fortune Magazine, http://money.cnn.com/magazines/fortune/fortune500/full_list/

¹² Source: "Companies in the Crossfire," *BusinessWeek*, Richard S. Dunham, April 17, 2006

¹³ Source: Federal Election Commission

¹⁴ Source: Federal Election Commission and League of Conservation Voters