

## Press Release

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# Walmart Charged With FCPA Violations

### FOR IMMEDIATE RELEASE

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*Washington D.C., June 20, 2019* — The Securities and Exchange Commission today charged Walmart with violating the Foreign Corrupt Practices Act (FCPA) by failing to operate a sufficient anti-corruption compliance program for more than a decade as the retailer experienced rapid international growth.

Walmart agreed to pay more than \$144 million to settle the SEC's charges and approximately \$138 million to resolve parallel criminal charges by the U.S. Department of Justice for a combined total of more than \$282 million.

According to the SEC's order, Walmart failed to sufficiently investigate or mitigate certain anti-corruption risks and allowed subsidiaries in Brazil, China, India, and Mexico to employ third-party intermediaries who made payments to foreign government officials without reasonable assurances that they complied with the FCPA. The SEC's order details several instances when Walmart planned to implement proper compliance and training only to put those plans on hold or otherwise allow deficient internal accounting controls to persist even in the face of red flags and corruption allegations.

"Walmart valued international growth and cost-cutting over compliance," said Charles Cain, Chief of the SEC Enforcement Division's FCPA Unit. "The company could have avoided many of these problems, but instead Walmart repeatedly failed to take red flags seriously and delayed the implementation of appropriate internal accounting controls."

Walmart consented to the SEC's order finding that it violated the books and records and internal accounting controls provisions of the Securities Exchange Act of 1934.

The SEC's investigation was conducted by Jason Rose, Irene Gutierrez, and Laura Bennett. The case was supervised by David Reece. The SEC appreciates the assistance of the Department of Justice Criminal Division's Fraud Section, the Federal Bureau of Investigation, and the Internal Revenue Service. The SEC also appreciates the assistance of regulators and law enforcement in Brazil, India, and Mexico.

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## Related Materials

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- SEC Order