

Wal-Mart Finds an Ally in Conservatives

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As [Wal-Mart Stores](#) struggles to rebut criticism from unions and Democratic leaders, the company has discovered a reliable ally: prominent conservative research groups like the American Enterprise Institute, the Heritage Foundation and the Manhattan Institute.

Top policy analysts at these groups have written newspaper opinion pieces around the country supporting Wal-Mart, defended the company in interviews with reporters and testified on its behalf before government committees in Washington.

But the groups - and their employees - have consistently failed to disclose a tie to the giant discount retailer: financing from the Walton Family Foundation, which is run by the Wal-Mart founder Sam Walton's three children, who have a controlling stake in the company.

The groups said the donations from the foundation have no influence over their research, which is deliberately kept separate from their fund-raising activities. What's more, the pro-business philosophies of these groups often dovetail with the interests of Wal-Mart.

But the financing, which totaled more than \$2.5 million over the last six years, according to data compiled by GuideStar, a research organization, raises questions about what the research groups should disclose to newspaper editors, reporters or government officials. The Walton Family Foundation must disclose its annual donations in forms filed with the [Internal Revenue Service](#), but research groups are under no such obligation.

Companies and such groups have long courted one another - one seeking influence, the other

donations - and liberal policy groups receive significant financing from unions and left-leaning organizations without disclosing their financing.

But the Walton donations could prove risky for Wal-Mart, given its escalating public relations campaign. The company's quiet outreach to bloggers, beginning last year, touched off a debate about what online writers should disclose to readers, and its financing to policy groups could do the same.

Asked about the donations yesterday, Mona Williams, a spokeswoman for Wal-Mart, said, "The fact is that editorial pages and prominent columnists of all stripes write favorably about our company because they recognize the value we provide to working families, the job opportunities we create and the contributions we make to the community we serve."

At least five research and advocacy groups that have received Walton Family Foundation donations are vocal advocates of the company.

The American Enterprise Institute for Public Policy Research, for example, has received more than \$100,000 from the foundation in the last three years, a fraction of the more than \$24 million it raised in 2004 alone.

Richard Vedder, a visiting scholar at the institute, wrote an opinion article for The Washington Times last month, extolling Wal-Mart's benefits to the American economy. "There is enormous economic evidence that Wal-Mart has helped poor and middle-class consumers, in fact more than anyone else," Mr. Vedder wrote in the article, which prominently identified his ties to institute.

But neither Mr. Vedder nor the newspaper mentioned American Enterprise Institute's financial links to the Waltons. Mr. Vedder, a professor at Ohio University, said he might have disclosed the relationship had the American Enterprise Institute told him of it. "I always assumed that A.E.I. had no relationship or a modest, distant relationship with the company," said Mr. Vedder, who has written a forthcoming book about the company. The book, he said in an interview yesterday, would eventually contain a disclosure about the Walton donations to the institute.

A spokesman for the Walton Family Foundation, Jay Allen, said there was no organized campaign to build support for Wal-Mart among research groups. All of the foundation's giving, he said, is directed toward a handful of philanthropic issues, including school reform, the environment and the economy in Northwest Arkansas, where Wal-Mart is based. "That is the spirit and purpose of their giving," Mr. Allen said.

Mr. Allen said the foundation, which had assets of \$608.7 million in 2004, the last year for which data is available, has never asked the research groups to disclose the donations because "the family leaves it up to the individual organization to decide."

Those groups, for the most part, say they have decided not to share the information with their analysts or the public.

For example, Sally C. Pipes, the president of the Pacific Research Institute, a free-market policy advocate, has written several opinion articles defending Wal-Mart in The Miami Herald and The San Francisco Examiner.

A month after a federal judge in California certified a sex discrimination lawsuit against the company as a class action in 2004, Ms. Pipes wrote an article in The Examiner criticizing the lawyers and the women behind the suit. "The case against Wal-Mart," she wrote, "follows the standard feminist stereotype of women as victims, men as villains and large corporations as inherently evil."

The article did not disclose that the Walton Family Foundation gave Pacific Research \$175,000 from 1999 to 2004. Ms. Pipes was aware of the contributions, but said the money was earmarked for an education reform project and did not influence her thinking about the lawsuit. Asked why she typically did not disclose the donations to newspapers, she said: "It never occurs to me to put that out front unless I am asked. If newspapers ask, I am completely open about it."

The lack of disclosure highlights the absence of a consistent policy at the nation's newspapers about whether contributors must tell editors of potential conflicts of interest.

Juan M. Vasquez, the deputy editorial page editor of The Miami Herald, which ran an opinion article praising Wal-Mart by Ms. Pipes of Pacific Research, said his staff researches organizations that write opinion articles, including their financing. But that does not always require asking if the organization has received money from the subject of an article, he said.

The [New York Times](#) has a policy of asking outside contributors to disclose any potential conflicts of interest, including the financing for research groups.

Several of the research groups noted that their mission is to be an advocate for free market policies and less government intrusion in business. "Those aims are pro-business, so it's not surprising that companies would be supporters of our work," said Kristine Brookes, a spokeswoman for the Heritage Foundation.

Last year, for instance, The Baltimore Sun published an op-ed article by Tim Kane, a research fellow at Heritage, in which he criticized Maryland's efforts to require Wal-Mart to spend more on health care. He objected to the move on the grounds that it was undue government interference in the free market, a traditional concern of Heritage.

"The existence of Wal-Mart dented the rise in overall inflation so much that Jerry Hausman, an economist from the [Massachusetts Institute of Technology](#), is calling on the federal government to change the way it measures prices," Mr. Kane wrote. "Translation: Wal-Mart is fighting poverty faster than government accountants can keep track."

Ms. Brookes pointed out that the \$20,000 Heritage has received from the Walton Family Foundation since 2000 amounts to less than 1 percent of its \$40 million budget.

Ms. Brookes said it was unlikely that researchers and analysts at Heritage were even aware of the foundation's contributions. "Nobody here would know that unless they walked upstairs and asked someone in development," she said. "It's just never discussed."

She said Heritage did not accept money for specific research. "The money from the Walton Family Foundation has always been earmarked for our general operations," she said. "They've

never given us any funds saying do this paper or that paper."

A spokeswoman for the American Enterprise Institute said the group did not comment on its donors. The group's focus on Wal-Mart has been notable. In June, the editor in chief then of the group's magazine, The American Enterprise, wrote a long essay defending Wal-Mart against critics. The editor, Karl Zinsmeister, now the chief domestic policy adviser at the White House, said the campaign against the company was "run by a clutch of political hacks."

Conservative groups are not the only ones weighing in on the Wal-Mart debate. Ms. Williams of Wal-Mart noted labor unions have financed organizations that have been critical of Wal-Mart, like the Economic Policy Institute, which received \$2.5 million from unions in 2005.

In response, Chris Kofinis, communications director for WakeUpWalmart.com, an arm of the [United Food and Commercial Workers Union](http://UnitedFoodandCommercialWorkersUnion.org) that gives money to liberal research groups, said: "While we openly support the mission of economic justice, Wal-Mart and the Waltons put on a smiley face, hide the truth, all while supporting right-wing causes who are paid to defend Wal-Mart's exploitative practices."

The lack of a clear quid pro quo between research groups and corporations like Wal-Mart makes the issue murky, said Diana Aviv, chief executive of the Independent Sector, a trade organization representing nonprofits and foundations. "I don't know how one proves what's the chicken and what's the egg," she said.

Last year, the National Committee for Responsive Philanthropy, a research and watchdog group, published a report, "The Waltons and Wal-Mart: Self-Interested Philanthropy," that warned of the potential influence their vast wealth gives them.

But Rick Cohen, executive director of the group, said he was more concerned about the role the Walton foundation's money might play in shaping public policy in areas like public education, where it has supported charter schools and voucher systems.

"These are certainly not organizations created and controlled by the corporation or the family

and promoted as somehow authentic when they aren't," Mr. Cohen said. "More important, I think, is the disclosure of the funding in whatever's written, a sort of disclaimer."

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