

Wal-Mart Rejects Government Settlement of \$600 Million

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After spending [five years](#) investigating allegations that Wal-Mart representatives bribed government officials over the course of a ten-year period to fast-track store openings, the United States government has finally put a settlement offer on the table.

According to the offer, the world's biggest retailer would have to pay at least [\\$600 million](#) to bring an end to probes launched by the Justice Department and the Securities and Exchange Commission. At issue is whether Wal-Mart [paid](#) government officials to expedite zoning and building permits for its stores in international markets, including Mexico, Brazil, India, and China.

If the settlement comes through, it would be one of the largest in four decades under the 1977 Foreign Corrupt Practices Act, which prohibits the bribing of foreign officials to secure global business deals.

The retail giant has [rejected](#) the government's offer. Wal-Mart spokesman Greg Hitt stressed, "As we've said from the beginning, we are cooperating fully with the government in this matter and have no further comment on that process." To pressure the retailer to settle, prosecutors returned to Mexico to obtain additional evidence from witnesses of bribe-paying in the country.

However, the government has faced key obstacles throughout its probe. Some of the actions it's been investigating in Mexico, the largest hub of Wal-Mart stores outside the United States, may have past the statute of limitations. This explains why the government has attempted to build stronger cases concerning behavior found in Brazil and India.

Wal-Mart has already spent \$791 million on legal fees to launch an internal investigation into the alleged payments, and to restore its compliance systems globally. The retailer has also made major changes in management, including top tier positions such as the appointment of a new chief executive officer and a chief financial officer.

While negotiations continue over the size of the penalty, the government is still considering whether or not to bring criminal charges against any part of the company.