

facility	city	state	date_of_incident	notes
2357	GERMANTOWN	MD	11/23/2012	15-25 Individuals carrying signs and chanting, passing out Stand With Us, Why is Walmart trying to silence its workers flyers. Unfair Walmart, Walmart treats employees like sharecroppers. Individuals telling customers, Enjoy your waffles at the expense of a Walmart Associates Benefits, Walmart Employees are on Food Stamps, Stop Exploitation - Don't give them your money. One individual yelled out, This is just day 1, we're never leaving.
2596	MOUNT VERNON	WA	11/23/2012	100 demonstrators on the parking lot and at entrances, have asked them to leave, Police will not ask to leave without a court order, 10 at each of the 3 doors, Sargeant is to call back when he arrives on site
3520	SECAUCUS	NJ	11/23/2012	110 protestors, on sidewalk getting ready to pcket, signs read union strike. Five media trucks, chanting, police directing traffic, Union yes signs, UFCW

# How Walmart watches its employees

By Susan Berfield

2479	SAN DIEGO	CA	11/23/2012	35 protestors, Channel 10 news, Signs read People over Profit, UFCW, SEIU, OURWM flag, group is video taping. Blocking front doors, no associates
4383	DEARBORN	MI	11/23/2012	Update - 100 people inside store at electronics dept. They have been asked to leave and refused; the group is actually growing larger. They are causing a safety issue; store will contact the police to assist.
3589	SALT LAKE CITY	UT	11/23/2012	Reported flashmob of 10 people for (5-10) minutes and then they left per management and police. Let balloons go in store that said "If we stand together nobody will fall."
5339	PITTSBURGH	PA	11/23/2012	UPDATE: APM was approached by a non-associate on the parking lot and they asked to speak with the store manager. The APM told the individual that all managers were busy and not available.
5437	SAINT PAUL	MN	11/23/2012	An OURWalmart supporter who is an associate from Store 2642 is a part of the protest.

# SURVEILLANCE IN AISLE 4

**In the autumn of 2012, when Walmart first heard about the possibility of a strike on Black Friday, executives mobilized with the efficiency that had built a retail empire. Walmart has a system for almost everything: When there's an emergency or a big event, it creates a Delta team. The one formed that September included representatives from global security, labor relations, and media relations. For Walmart, the stakes were enormous. The billions in sales typical of a Walmart Black Friday were threatened. The company's public image, especially in big cities where its power and size were controversial, could be harmed. But more than all that: Any attempt to organize its 1 million hourly workers at its more than 4,000 stores in the U.S. was an existential danger. Operating free of unions was as essential to Walmart's business as its rock-bottom prices.**

OUR Walmart, a group of employees backed and funded by a union, was asking for more full-time jobs with higher wages and predictable schedules. Officially they called themselves the Organization United for Respect at Walmart. Walmart publicly dismissed OUR Walmart as the insignificant creation of the United Food and Commercial Workers International (UFCW) union. "This is just another union publicity stunt, and the numbers they are talking about are grossly exaggerated," David Tovar, a spokesman, said on *CBS Evening News* that November.

Internally, however, Walmart considered the group enough of a threat that it hired an intelligence-gathering service from Lockheed Martin, contacted the FBI, staffed up its labor hotline, ranked stores by labor activity, and kept eyes on employees (and activists) prominent in the group. During that time, about 100 workers were actively involved in recruiting for OUR Walmart, but employees (or associates, as they're called at Walmart) across the company were watched; the briefest conversations were reported to the "home office," as Walmart calls its headquarters in Bentonville, Ark.

The details of Walmart's efforts during the first year it confronted OUR Walmart are described in more than 1,000 pages of e-mails, reports, playbooks, charts, and graphs, as well as

testimony from its head of labor relations at the time. The documents were produced in discovery ahead of a National Labor Relations Board hearing into OUR Walmart's allegations of retaliation against employees who joined protests in June 2013. The testimony was given in January 2015, during the hearing. OUR Walmart, which split from the UFCW in September, provided the documents to *Bloomberg Businessweek* after the judge concluded the case in mid-October. A decision may come in early 2016.

Walmart declined to comment on the specifics of the documents, citing the ongoing case. It did send a statement via e-mail: "We are firmly committed to the safety and security of our 2.2 million associates as well as the 260 million customers we serve each week. It's important to remember that Walmart is the largest company in the world with 11,500 stores in 28 countries. Unfortunately, there are occasions when outside groups attempt to deliberately disrupt our business and on behalf of our customers and associates we take action accordingly."

Karen Casey was in charge of Walmart's U.S. labor relations as OUR Walmart emerged. Casey, an attorney, held a similar position at Albertsons for a decade before, with one important difference: Some workers there were represented by the UFCW. In 2003 they joined other grocery employees in Southern California in a four-month strike to resist cutbacks brought on by competition from Walmart. The strike was estimated to have cost \$2 billion.

Casey, along with other executives in Bentonville, first learned about OUR Walmart from managers' calls to the company's labor hotline in the fall of 2010. "Associates were being visited at home by people dressed in khakis and blue shirts, which is the Walmart uniform," she told the NLRB judge. They were, she said, "claiming to be current and former associates asking people to join this group." When asked about Walmart's emphasis on "mitigating labor risks," she replied: "Our real concern is about the safety of our stores and making sure our managers also respond lawfully to any labor activity that may be going on."

**O**UR Walmart made its claims public in June 2011, when 97 employees and their supporters arrived in Bentonville with a 12-point declaration that asked for wages and benefits sufficient to ensure that no worker would have to rely on government assistance. They also called for dependable schedules, expanded health-care coverage, and the freedom to speak up without facing retaliation. In the parking lot, they presented the document to Casey and asked to speak with her inside.

Walmart's "open door" policy allows, and almost always requires, employees who want to talk about workplace conditions with

Protesters outside a Milwaukee Walmart on Black Friday 2012



DARREN HAUCK/GETTY IMAGES

managers to do so individually. Casey didn't let the group in the building en masse. "We had offered to have one-on-ones with our associates to understand their questions and concerns," she said at the hearing. The associates declined. "I think the executives were just as shocked as we were" that workers had come to Bentonville on their own, Cynthia Murray, one of the founders of OUR Walmart, told this magazine in 2012.

During October 2012, OUR Walmart members and supporters began a series of walkouts and protests across the country to increase pressure on the retailer before the holiday shopping season. The group called a National Day of Action for Oct. 10 and sent a few people to Bentonville, where Walmart executives were meeting with Wall Street analysts. Two hundred calls to the labor hotline from almost as many stores were logged throughout around that time.

Some calls betrayed the paranoia of beleaguered managers. 2:30 p.m., Store 5880 in Fairfax, Va.: "A customer began talking to a cashier about the strikes at Walmart this week, and the cashier responded that maybe she should go on strike. AM [assistant manager] feels the cashier was joking when she made the comment."

4:19 p.m., Store 3893 in Zion, Ill.: "Three associates made comments surrounding the 'strikes' in other stores to Grocery ZMS [zone merchandising supervisor]. Grocery ZMS shared his opinion but didn't state our philosophy. He will do so the next time the associates are at work."

The last call in the log, on Oct. 15, came from Yuma, Ariz.: "An associate asked what would happen to associates if they walked out on Black Friday."

**W**almart was watching Colby Harris. He was a full-time employee in the produce department in Store 471 in Lancaster, Texas. He joined protests in California, picketed stores in Dallas, and showed up in Bentonville for the analysts' meeting. In November 2012, he said he had given more than 45 interviews to journalists. "People want to hear from us," he said.

On Oct. 17, Casey, the labor relations executive, sent an e-mail to one of her senior staff: "Colby Harris, what's his story?" Casey said in her testimony that she asked about Harris because he had appeared in press accounts of the walkouts, and Walmart's media relations group asked her for information about him. She also said that Walmart tracked associates "who may be engaged in the demonstrations and strikes to figure out who was working and who wasn't."

As momentum for the Black Friday protests was building, the Delta team raced to respond. The Black Friday Labor Relations Team Daily Meeting had its own acronym: the BFLRTDM. An e-mail on Oct. 24 from a member of the labor relations team to four executives had the subject line: "Blitz Planning (Re-visited due to new information)." The document they updated—the Labor Relations Blitz/Black Friday 2012 Plan—noted some of the latest tactics they expected from OUR Walmart: "work stoppages, mic checks, 1 post of a human chain, social media calls for boycotts and Sponsor a Striker for Black Friday food card program." It also included this request to Walmart's Analytical Research Center: "When does Lockheed provide more analysts?"

The Analytical Research Center, or ARC, is part of Walmart's global security division. Ken Senser, a former FBI officer, oversees the entire group. The executive responsible for ARC was Steve Dozier, according to Casey's testimony. He was director of the Arkansas State Police before he joined Walmart in 2007. "When we received word of potential strikes and disruptive

activity on Black Friday 2012, that's when we started to ask the ARC to work with us," Casey said during her testimony. "ARC had contracted with Lockheed leading up to Black Friday to help source open social media sites."

Lockheed Martin is one of the biggest defense contractors in the world. Although it's best known for making fighter jets and missile systems, it also has an information technology division that offers cybersecurity and data analytics services. Tucked into that is a little-known operation called LM Wisdom, which has been around since 2011. LM Wisdom is described on Lockheed's website as a tool "that monitors and analyzes rapidly changing open source intelligence data... [that] has the power to incite organized movements, riots and sway political outcomes." A brochure depicts yellow tape with "crime scene" on it, an armored SWAT truck, and a word cloud with "MAFIA" in huge type.

Neither Walmart nor Lockheed would comment on their contract in 2012 and 2013, or talk specifically about Wisdom. The only mention of Wisdom in the documents *Bloomberg Businessweek* reviewed comes in a question during the NLRB hearing to Casey, who was asked if she had heard of Wisdom. She said she hadn't.

Christian Blandford, a Lockheed analyst, was monitoring the social media of activists in Bentonville for Walmart's 2013 shareholder meeting. He sent his updates to Walmart and copied Mike Baylor, who's named as a project manager on Lockheed's Wisdom website. On June 4, at 6:30 p.m., Blandford sent this update about the artist and activist Favianna Rodriguez to seven Walmart and five Lockheed managers: "Favianna tweeted that OUR Walmart is preparing for action 'walmart headquarters.' Tweet is 9 minutes old as of this e-mail."

Two hours later, Blandford wrote that Angela Williamson, who was fired by Walmart in 2012 and subsequently hired by OUR Walmart, "tweeted a rhetorical question towards Walmart in which she asks, 'Whats on my agenda tomorrow?'"

**C**ompanies have always kept an eye on their workers. "Everybody from General Motors to the Pacific Railroad had clippings files," says Nelson Lichtenstein, a labor historian. "It's more sophisticated and efficient now, but it's the same thing." Companies can't legally put in place rules—or surveillance—that apply only to labor activists. But they can restrict solicitation during work hours or in customer areas and keep security cameras throughout. And they can set up systems for managers to report concerns of any kind to headquarters. Employers can send people to open meetings or rallies or demonstrations. But there's little labor law regarding companies' monitoring of their employees' own social media accounts. "It's a tricky issue when you are doing something so openly," says Wilma Liebman, who was head of the NLRB from 2009 to 2011. Casey said in her testimony that to her knowledge, Walmart doesn't monitor individual workers' Twitter accounts. While most of the OUR Walmart activists being watched expected to be, none thought it would be by a company like Lockheed Martin. "We're artists, not ISIS," Rodriguez says.

Walmart has been opposed to unions since Sam Walton opened his first store in Rogers, Ark., in 1962. As he put it in his autobiography, *Sam Walton: Made in America*: "Theoretically I understand the argument that unions try to make, that the associates need someone to represent them and so on. But historically, as unions have developed in this country, they have mostly just been divisive." When the Retail Clerks International Union tried to organize employees at two stores in Missouri in 1970, Walton hired John Tate, a

union-busting lawyer, to oversee labor relations. Tate often called unions “bloodsucking parasites,” according to ABC News.

The UFCW has started several campaigns aimed at Walmart. In 1999 it focused on the meat departments at 300 Walmart supercenters. Butchers in a store in Jacksonville, Texas, voted—a mere 7 to 3—to join the union in 2000. Two weeks later, Walmart closed its 180 meat counters and switched to prepackaged cuts, saying it would offer meat cutters other jobs in its stores. “Our decision to expand case-ready meat has nothing to do with what went on in Jacksonville,” Jessica Moser, a spokeswoman, told the Associated Press.

Training videos, executive memos, and various other anti-union materials have been leaked over the years by groups hoping to embarrass Walmart. A 49-page document from 1997, *A Manager’s Toolbox to Remaining Union-Free*, begins: “As a member of Walmart’s management team, you are our first line of defense against unionization.” Based on the documents from the ongoing case, many of the tools in the toolbox remain in use. The 1997 guide instructs managers to remain alert for signs of low morale or organizing among their employees. They’re supposed to address the causes of low morale and report the organizing to the Bentonville hotline.

The labor relations team uses information from the hotline and social media monitoring to determine which stores are most at risk of labor unrest. These are dubbed Priority 1 stores, in need of extra training for managers and extra information sessions for employees. Several OUR Walmart members have described Bentonville executives arriving suddenly in their stores with scripts in hand. In one video that was shown to new employees until last year, an actress playing an associate says: “The truth is unions are businesses, multimillion-dollar businesses that make their money by convincing people like you and me to give them a part of our paychecks.”

Walmart’s aim isn’t only to watch 100 or so active members of OUR Walmart, says Kate Bronfenbrenner, a lecturer at Cornell’s School of Industrial and Labor Relations. “They are looking for the thousands who are supportive so they can intimidate them.” Walmart declined to comment on her statement. Casey, in her testimony, repeatedly stated that Walmart doesn’t retaliate against protesting workers. She described training managers in what Walmart calls TIPS and FOES: Managers cannot Threaten, Interrogate, Promise, or Spy. They can talk about Facts, Opinions, and Experiences.

**This is significant,” Casey wrote in an e-mail to her field managers on Sunday morning, Nov. 18, 2012, five days before Black Friday. Casey was referring to intelligence that a manager at Store 5434 in San Leandro, Calif., had turned up. “They [the protesters] will be going to my store at 8 p.m., Friday, Nov. 23,” the manager wrote. “They will be in Walmart dress code and wearing yellow vests directing traffic in the parking lot.”**

A human resources manager for the San Francisco East Bay area offered a suggestion: Have the workers at all the “priority” stores in the area wear vests in a color other than yellow. That would allow management to identify OUR Walmart activists.

A few days later, an executive summary of the expected OUR Walmart activity reported 42 stores with “a high likelihood of activity” and 132 with “potential activity.” The number of workers projected to walk out or call in sick ranged from 376 to 492.

By Friday, Nov. 23, OUR Walmart strikers had been identified, members of the Bentonville labor relations team had been sent to Priority 1 stores, all managers had instructions

on how to report protests, the hotline was fully staffed, and lawyers were standing by. As workers, activists, journalists, and shoppers arrived at Walmarts around the country early Friday morning, the labor hotline lit up with reports such as:

Store 2596 in Mount Vernon, Wash.: “100 demonstrators on the parking lot and on entrances, have asked them to leave. Police will not ask to leave without a court order, 10 at each of the 3 doors, Sergeant [sic] is to call back when he arrives on site.”

Store 2479, in San Diego, had 35 protesters blocking front doors. At 4383, in Dearborn, Mich., 100 protesters mobbed the electronics department. At 3589, in Salt Lake City, balloons with slogans were released in the store. **At 2357, in Germantown, Md., an individual was reported yelling out, “This is just Day One. We’re never leaving.”**

Walmart’s first public statement went out as the day was getting under way, proclaiming “the best Black Friday ever.” Later, spokesman Tovar, who has since left the company, issued another statement: “We had our best Black Friday ever and OUR Walmart was unable to recruit more than a small number of associates to participate in these made for TV events.”

The company never did quantify what it meant by “best,” though it did announce that since that Thanksgiving evening, Walmart had sold 1.8 million towels and 1.3 million televisions. Internally, Walmart tallied the labor unrest during the 10 days around Black Friday. The labor relations team reported “a record-breaking” 1,600 hotline calls from 977 stores; 250 locations reported protests of some kind. On Black Friday itself, there were 372 hotline calls from stores with “activity.”

In testimony, Casey said Walmart counted about 100 workers who had gone on strike on Black Friday. OUR Walmart maintains that about 400 Walmart employees went on strike and that they or their supporters took action at almost 1,200 stores around the country.

Walmart filed an unfair labor practice allegation against the UFCW in November 2012, contending that the one-day walk-outs weren’t legally protected. In January 2013, the UFCW and OUR Walmart agreed to refrain from picketing or similar “confrontational conduct” for 60 days. Afterward, the NLRB closed the case. Walmart also won seven statewide court injunctions preventing the UFCW and anyone else who wasn’t an employee from protesting on Walmart property. In a Maryland case, the judge wrote of the protesters, “the bullying tactics and the lawlessness...that the evidence clearly established in this case, is not okay under the law no matter what their cause is.”

**In mid-April 2013, Walmart executives began hearing about plans for “Ride for Respect,” a bus caravan that would arrive in Bentonville during the weeklong annual shareholder meeting in June. About 14,000 people—hand-picked associates, managers, shareholders, investors, the Walton family—would be in town. Elton John was performing. It was a time of particularly uncomfortable scrutiny for Walmart. A Bangladesh factory, where Walmart garments were produced, had collapsed, killing more than 1,100 workers. Walmart denied knowing its work had been subcontracted there. An investigation by the U.S. Department of Justice into potential bribery in Mexico was under way; Walmart said it was cooperating fully.**

A Delta team began operations. When global security heard that members of the Occupy movement might join the protests at corporate headquarters, they began working with the FBI Joint Terrorism Task Forces. The documents from the NLRB hearing don’t provide any details about the collaboration or indicate whether it was unusual for Walmart to bring in the

FBI. The bureau had worked with local police forces across the country as they dealt with Occupy protesters.

“With some assistance from LM [Lockheed Martin] we have created the attached map to track the caravan movements and approximate participants,” Kris Russell, a risk program senior manager, wrote to colleagues on May 30. The map showed the predicted routes for five buses. By then, 96 associates had announced their intent to strike. Another 115 “uninvited guests” were expected in Bentonville. Forty-five or so probable demonstrations around the country had been identified.

One of the uninvited guests was Patrick Foote, an activist from Florida. He chronicled the trip to Bentonville on his blog; Walmart and Lockheed social media analysts were avid readers. He and others tried to get into the original Walton 5 & 10, now a museum in the old town square. When protesters arrived there, associates brought in for the shareholder meeting were quickly ushered into buses and driven away. Then staff closed down the museum. Foote wrote of Walmart’s preparations: “As an organizer, I have to give them props. It was impressive.”

Williamson, the former Walmart associate who became an OUR Walmart organizer, knew she was being monitored in Bentonville. “I sent a couple of fake tweets about where we would be or what we were doing. I don’t know if it worked,” she says. “I wonder how people feel about Walmart wasting money by hiring Lockheed Martin to read my tweets. I wouldn’t be happy about that if I was a shareholder.”

In the weeks after the Ride for Respect, Walmart disciplined about 70 associates who had been part of the caravan or protests, including almost 20 whom it fired, according to OUR Walmart. The company said it was enforcing its attendance policy and not illegally targeting strikers. OUR Walmart alleged retaliation. This case, for which these documents were collected, was taken up by the NLRB in January 2014.

The Black Friday Delta team had become more efficient by the autumn of 2013. Its alerts were more frequent; its training and coaching began earlier. Executives were given a summary of all the protests since 2011, store by store, with some associates’ names included. Store managers and others received a Black Friday guide called the playbook, which included information about everything from Walmart’s “one-hour guarantee” to “incident procedures.” It noted that the global security team and labor relations were monitoring open source social media to alert and prepare stores where demonstrations were expected, and instructed employees “to report any suspected and/or actual activity.”

On Oct. 4, Casey sent out a request for “Home Office First Responders.” She asked that managers from human resources volunteer for hotline shifts during the week leading up to Black Friday. Three days later, an alert from a risk manager in the Global Security Analytic Service (what used to be ARC) noted a Facebook post from a student group in Kentucky that mentioned Black Friday protests. “Could this be the first confirmed BF action?” he asked. In an e-mail on Nov. 4, Casey wrote, “While we’re excited....So are our opponents. We expect similar activity to last year.”

Black Friday, Nov. 29, 2013, was a day of strikes and counterstrikes. Bill Simon, then president of Walmart U.S., sent out a statement just after 6 a.m.: “Our Black Friday events were bigger, better, faster, cheaper, and safer than ever.” At noon, OUR Walmart held a conference call. “These protests are a powerful escalation by workers and community supporters who refuse to live in fear, who are sick and tired of Walmart’s empty promises and PR lies,” said Martha Sellers, an employee

in California. Later that afternoon, Walmart released a graphic about its employee wages and benefits.

A two-page Walmart executive summary prepared after that Black Friday noted that picketing occurred at 203 stores, compared with 214 the previous year; flash mobs were down from 76 to 10; instances of people distributing literature declined from 131 to 96. The document highlighted its conclusion that only 20 associates participated in strikes, compared with 118 in 2012.

OUR Walmart said it had carried out nine civil disobedience demonstrations across the country, with about 100 people arrested, and some 1,500 protests.

**Since the first strikes in 2012, unfair labor practice** allegations have been filed against Walmart on behalf of some 200 workers connected to OUR Walmart, according to the group. The company denies wrongdoing. The labor board prosecutor dismissed some of the allegations and is pursuing others, including the retaliation case from which these documents were obtained.

Among those disciplined was the outspoken Harris, who was fired in September 2013 and now works for the UFCW. Murray, one of the group’s founders, remains employed at Walmart, making \$13.59 an hour. Casey is now the senior vice president for human resources at Walmart’s logistics division. And Lockheed Martin has announced that its commercial cyber unit, which includes Wisdom, is “under strategic review.”

OUR Walmart takes credit for some successes. After Doug McMillon took over as the company’s chief executive officer in February 2014, he raised the starting wage to \$9 an hour; it increases to \$10 an hour in 2016. Walmart has introduced a scheduling policy designed to allow employees to work more hours and have more predictable schedules. The changes come amid a nationwide push for higher wages and better working conditions for hourly employees. Fast-food workers have been demonstrating in favor of minimum pay of \$15 an hour, and several cities have raised the minimum wage on their own. OUR Walmart helped spark, and in turn was fed by, the movement.

Walmart doesn’t acknowledge OUR Walmart’s influence. “The unions who spend a lot of time attacking Walmart make a lot of false claims, but the reality is that Walmart makes decisions based on the best interests of our company, our associates and our customers,” Brian Nick, a spokesman, said via e-mail. “We’re proud of the wages and benefits package we offer. Our average full-time hourly associate earns more than \$13 an hour in addition to the opportunity for quarterly cash bonuses, matching 401(k) as well as health-care benefits. Walmart is investing \$2.7 billion over this year and next in wages, education, and training for our associates because we know they make the difference.”

This year, instead of striking, OUR Walmart is staging a 15-day fast leading up to Black Friday. Workers want to wait until the NLRB ruling before walking off the job again, Murray says. The hunger strike is in support of a \$15-an-hour minimum wage and to highlight the problems some Walmart workers have feeding their families, she says, adding that some 1,400 people are participating in the fast as they see fit and about 200 of those are former and current employees. Murray is one of them.

On Black Friday there will be demonstrations around the country, organized by groups connected to OUR Walmart and joined by employees who aren’t scheduled to work. Murray will be at a protest in Washington, D.C. “I do believe that since we’ve been speaking up, Walmart has had to take a hard look at themselves,” she says. “We’re not going away.” —*With Josh Eidelson* **3**