Wal-Mart fires tech for recording phone conversations, intercepting text messages

by Bend_Weekly_News_Sources

Stronger Controls Are Put in Place Following Internal Investigation

BENTONVILLE, Ark. - Mart announced today that it has terminated a Wal-Mart systems technician for intercepting text messages and recording telephone conversations without authorization.

The disciplinary action is the result of an internal investigation that began on January 11, 2007 when an individual used the Wal-Mart open door policy to express concerns about the recordings. The audit committee of the company's Board of Directors was notified on January 12th and on Saturday, January 13, attorneys for the company notified the U. S. Attorney for the Western District of Arkansas.

Wal-Mart's internal investigation initially found that the systems technician had monitored and recorded telephone conversations between Wal-Mart Public Relations associates and a reporter from The New York Times. These recordings were made over a four-month period between September, 2006 and January, 2007. Wal-Mart notified The New York Times earlier today.

Under federal law and the applicable state law, a telephone conversation may be recorded if one party has given his or her consent. Since Wal-Mart policies state that all electronic communications of associates using Wal-Mart communication systems are subject to monitoring and recording, Wal-Mart associates give their consent to the monitoring and recording of their calls. Therefore, the unauthorized recording of telephone conversations by the systems technician did not violate any laws.

However, it is Wal-Mart's practice to record associate phone calls only in compelling circumstances and with written permission from the legal department. The threshold for this permission is high and limited to cases of high risk to the company or its associates, such as suspected criminal fraud or security issues. An obvious exception would be the monitoring of call center calls for quality assurance.

These recordings were not authorized by the company and were in direct violation of the established operational policy that forbids such activity without prior written approval from the legal department. No such approval was ever sought and, had such approval been sought, it would have been denied.

During the internal investigation, the company also discovered that, in separate instances, the same technician had intercepted text messages and pages, including communications that did not involve Wal-Mart associates. The interception of text messages and pages that does not involve Wal-Mart associates is not authorized by company policies under any circumstances.

The company has kept the U.S. Attorney informed through the course of its internal investigation and last week advised him that the investigation was near completion. On March 1, the U. S. Attorney notified the company that his office would conduct an investigation of the pager intercepts and the recording of phone calls.

Wal-Mart has terminated the technician who conducted the recordings and intercepts. The company has also taken disciplinary action against two management associates for failure to carry out their management duties.

In addition to the personnel actions, Wal-Mart has taken a number of steps to strengthen its policies and controls surrounding the monitoring or recording of communications, effective immediately. It has also physically removed the recording equipment and any related hardware from the system. Any future use of this equipment will be under the direct supervision of the legal department.

"The company believes that these pager intercepts and the recordings of these telephone calls were wrong and has taken a number of actions to further strengthen our policies and controls," said Mona Williams, Wal-Mart's vice president of Corporate Communications. "We reported these matters to the U.S. Attorney and have kept him informed throughout the course of our investigation."

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