He Yi Electronics and Plastics Products Factory
English name: Foreway Industrial China, Ltd.
Shong Bai Tang Administrative District
Chang Ping Township
Dongguan Municipality, China

(Part of the He Yi Business Group)

Number of Employees: 2,100 in the peak season and 500 to 600 in the slow season. The peak season generally lasts six months, from May through October. The slow season is November through April.

Production: “Bobblehead” dolls of major league players, produced under licensing agreements with the NFL, NBA, MLB, NCAA, NASCAR and the Collegiate Licensing Company. Other plastic toys, especially small toy cars, are also produced for Wal-Mart, Disney and Hasbro.

Currently, 40 percent of factory production is for the U.S. company Fotoball, which has licensing agreements with the National Football League, National Basketball Association, Major League Baseball, National Collegiate Athletic Association, NASCAR and the Collegiate Licensing Company to produce their plastic bobble head dolls. Fotoball goods are sold at Wal-Mart and other mass retailers.

Production for Wal-Mart and Disney account for approximately another 20 percent of factory production.

(The Foreway factory is currently in its slow season and the total amount of production for the various labels is very different from that of the peak season, when Wal-Mart, Disney and Hasbro become much larger players.)
Summary of Abusive Factory Conditions:

- **18-to-20.5-hour** all-night shifts;
- **Mandatory seven-day workweek**;
- At the extreme, workers could be at the factory up to **130 hours** a week;
- **One day off every other month**—just **15 days off per year**, including national holidays. (Workers are denied half of their national holidays.);
- **Paid below minimum wage**: For over **100 hours** of work, the workers receive a net wage of just **$16.75**, averaging about **16 ½ cents an hour**;
- Overtime is also illegally paid at just **22 cents an hour**;
- **Wages are routinely paid late.** When the workers protested in January 2004 to demand payment of their wages, management responded by firing 50 workers and withholding one month’s back wages;
- **Workers are not permitted to resign** from the factory, but rather must apply for a “voluntary automatic leave,” which means they forfeit one-and-a-half months’ wages;
- There is no legal work contract;
- No Social Security or health insurance;
- Twenty workers share one dorm room;
- Organizing a union is strictly prohibited;
- **So-called corporate audits are announced 20 days in advance**—and the workers are threatened, coached and bribed to lie if they are questioned. Workers are given a “cheat sheet” and paid 50 rmb—several days’ wages—to memorize the “correct” answers.

**Hours:**

- Mandatory overtime;
- Frequent 18 to 20.5-hour all-night shifts stretching from 8:00 a.m. to 2:00, 3:00 or even 4:30 a.m. the following day;
- Workers could be at the factory up to 130 hours a week;
- Obligatory seven-day work week;
- One day off every other month, with an average of just 15 days off per year.

These hours are for production line workers during the peak season. But even during the slow season, due to massive factory layoffs of upwards of 1,500 workers, the very reduced workforce of 500 to 600 people is still obligated to work seven days and often forced to put in 18 to 19-hour shifts, from 8:00 a.m. to 2:00 or 3:00 the following day.

**Typical Shift**

*18 to 19 hours*  
8:00 a.m. to 2:00 or 3:00 a.m. the following day

- 8:00 a.m. to 12:00 noon            Work—4 hours
- 12:00 noon to 1:30 p.m.            Lunch—1 ½ hours
- 1:30 p.m. to 5:30 p.m.              Work—4 hours
- 5:30 p.m. to 6:30 p.m.              Supper break—1 hour
- 6:30 p.m. to 8:30 p.m.              Work—2 hours
- 8:30 p.m. to 2:00 or 3:00 a.m.      “Obligatory Overtime”—6 to 7 hours
with a half-hour snack break

Illegally, the factory operates on a “regular” shift of ten hours, whereas by law, regular hours of work are limited to eight hours a day and 40 hours a week. In effect then, the workers are forced to work up to nine hours of overtime a day, and not the six to seven hours the factory recognizes as overtime.

The factory operates on a mandatory seven-day work week and a 30 day month, meaning the workers receive an average of one day off every two months.

Under this schedule, at the extreme the workers can be at the factory up to 130 hours a week, while being required to work 108.5 hours.

By law, all workers are to receive 12 paid national holidays a year, but the company recognizes just six of these holidays, forcing the workers to work through the other six legal holidays. On average then, a production line worker will receive just 15 days off a year—six paid holidays and nine unpaid days of leave.

Workers have to plead with management to win the few legal holidays they actually receive. On January 16, 2004, for example, one worker asked permission for a few days leave so he could travel home to visit his family during the important Spring Festival. Management refused and verbally abused the worker. Finally he had to drop to his knees and plead and beg before he was granted his leave. By law, the workers are to receive at least three days for the Spring Festival. (The vast majority of factory workers are migrants from the countryside and the Spring Festival holiday is the only chance they have all year to travel back to their rural villages to visit their families.)

Wages:

- Wages below legal minimum, workers cheated on overtime pay;
- Wages as low as 16 ½ cents an hour and just $16.75 for a seven-day, over-100-hour work week;
- Wages paid late, workers seeking to be paid on time are sacked.

The average take-home wage during the peak season for production line workers is just 600 rmb—U.S. $72.55 per month. Given that the Foreway factory operates on a mandatory seven-day, over-100-hour work week, this means the workers are earning a take-home wage as low as 16 ½ cents an hour, and just $16.75 for the typical 101-hour work week. (Concrete examples of this are attached.)

The base wage at the factory is supposed to be 450 rmb per month, or U.S. $54.41, which would be more or less in line with the legal minimum wage in Dongguan City. However, this legal minimum wage is to be calculated on the basis of a regular work week of eight hours a day, and 40 hours a week. Anything beyond that, by law, is to be paid as overtime with the appropriate premium. The workers are supposed to receive two days off a week.

At the Foreway factory, none of this happens. The factory considers the first 10 hours of work each day as “regular time” and the “regular” work week is seven days, not five. “Regular” time at Foreway is illegally set at 70 hours a week, and not the 40 hours defined by China’s labor laws. Also, under China’s laws, all overtime is to be voluntary, and paid at time-and-a-half during the week, double time during the weekends and triple time on national holidays. Overtime work is not to exceed three hours a day or nine hours a week.
If the regular base wage is 31 cents an hour, then all overtime during the week should be at a 150 percent premium, or **46 ½ cents an hour**. On weekends, the overtime rate should be **62 cents** an hour, and for working on national holidays, the rate should be **93 cents** an hour.

But for the workers at the Foreway factory, the law is just a fantasy. At Foreway, not only is all overtime mandatory and extreme, it is also illegally underpaid at just 1.8 rmb, or U.S. **22 cents an hour**, which is well below even the legal minimum wage of 31 cents an hour for regular time.

Beyond this, the company deducts 150 rmb a month for room and board—the workers are housed in crowded dorms with 20 people sharing a room—lowering the workers’ take home pay even further.

### Legal Minimum Wage

450 rmb, or U.S. $54.41, a month

(8.27 rmb = U.S. $1.00)

- 31 cents an hour
- $2.48 a day (8 hours)
- $12.56 a week (40 hours)
- $54.41 a month
- $652.96 a year

The Foreway workers are not paid even this legal minimum wage, which is already set well below subsistence level. At Foreway, the “regular” workweek is considered to be 70 hours, which results in a regular hourly wage of just 18 cents. However, it gets even worse. After deducting 150 rmb per month for room and board from the base wage of 450 rmb, the workers are left with a take home wage of just **$36.28** a month, **$8.37** a week and as little as **14 cents an hour**.

### Take Home Wage at Foreway

Including 31 hours of mandatory overtime

600 rmb per month for a seven-day, 101-hour work week

- 16 ½ cents an hour
- $2.39 a day (approximately 15-hour shift)
- $16.74 a week (over 100 hours)
- $72.55 a month
- $870.62 a year

It is also common for wages to be paid late. Wages are supposed to be paid on the 30th of each month, yet factory management often ignores this and pays the wages arbitrarily whenever it is convenient for the company. If management holds back the wages for too long a period, the workers become desperate. As discontent and anger spread, there have been wildcat strikes. Most recently, this happened on January 1 and 2 of 2004, when 50 workers organized an impromptu strike or work action. **Management responded by immediately firing all 50 activists, while further punishing and humiliating them by withholding one month’s back wages.**
Further Violations and Abusive Conditions:

- **Cheated of back wages and severance pay:** Once in the Foreway factory, it is not easy to get out without paying a price. Many workers would like to quit the factory and move on to look for better work due to the low wages, excessive overtime and abusive treatment. However, management forbids workers from quitting. They can only leave under the condition that they “voluntarily” request an “automatic leave,” which means that since they are severing the “work contract” on their own, they must forfeit one-and-a-half months’ back wages owed them, as a punishment. (This, despite the fact that the workers are illegally **not given a legal written work contract**.)

- The workers are provided **no social security or health care insurance.**

- **Any worker effort to exercise the rights of freedom of association and to organize would be crushed immediately.** Organizing an independent union is strictly prohibited.

- **Twenty workers share crowded dorm rooms measuring approximately 12 by 23 feet. More than two dozen workers share a bathroom.**
What Must Be Done

Clearly, there are numerous systematic and serious abuses of basic human and worker rights at the Foreway factory, which are in blatant violation of China’s labor laws and internationally recognized standards. These violations must be immediately addressed and corrected by the NFL, NBA, NCAA, MLB, Nascar, Collegiate Licensing Company, Wal-Mart, Disney and Hasbro.

1. At the very least, the legal minimum wage must be paid.
2. All overtime must be voluntary, and paid correctly and on time. Excessive overtime must end.
3. The 50 workers fired in January 2004 should be offered reinstatement to their former positions with no further discrimination and payment of all back wages.
4. The factory must strictly honor all 12 national paid holidays.
5. The workers must be provided with a legal work contract.
6. The workers should be afforded at least the standard social security and health care insurance.
7. Workers must have the right to leave the factory without being punished with the loss of back wages due them.
8. The workers have the right to decent, humane living conditions.
9. The workers’ rights to freedom of association and to organize should also be respected.

Surely, acting together, the NFL, NBA, MLB, NCAA, Nascar, Collegiate Licensing Company, Wal-Mart, Disney and Hasbro can readily accomplish this, if there is the will to do so.

(This is not a boycott: It must be noted that no one is calling for these U.S. companies to pull their work from the factory. Like workers across the developing and developed world, the Foreway workers in China are not calling for a boycott of their jobs. In the desperation and abject poverty characterizing the Race to the Bottom in the global sweatshop economy, no worker can afford to lose his or her job. The sad reality is that it is better to be exploited than to have no job at all. However, even the poorest, most desperate workers are not asking for more sweatshops. Rather, they are asking that they be treated like human beings, and that their fundamental human and worker rights be respected. The goal here is that the NFL, NBA, NCAA, MLB, Nascar, Collegiate Licensing Company, Wal-Mart, Disney and Hasbro keep their work at the Foreway factory, while at the same time working with their contractor to bring the plant swiftly into compliance with all local laws and internationally recognized human and worker rights standards. This is not too much to ask. The workers’ demands are quite modest—that their fundamental legal rights be respected.)
A Corporate Monitoring Farce
--Going on right this minute, before our very eyes—

Far from doing the right thing and insisting upon strict adherence to all local laws and international standards, the North American companies are knowingly complicit and willing players in covering up the violations at the Foreway factory. Their so-called efforts to monitor factory conditions are so flawed and inadequate as to constitute a willful cover-up.

For example, Wal-Mart representatives “inspected” the Foreway factory on November 12, 2003. The factory was notified approximately 20 days before this so-called inspection. In many cases, the factory actually prepares and posts a “Welcome” sign for corporate monitors.

In preparation for these visits, both the factory and dormitory are cleaned and spruced up. Certain little amenities appear, only to disappear after the monitors leave.

One does not have to be a rocket scientist to be aware that in China it is common for the export assembly factories to keep two sets of books—one to show the buyer and the other to maintain actual records. As in other factories, when the monitors arrive at Foreway they are presented with falsified time cards and pay records, which, of course, show that the workers receive two, or at least one, day off, even during the busy season; that the overtime hours are within the legal limit; that all national holidays are respected with even a few extra days off thrown in here and there; and that all legal minimum wages and overtime are paid strictly according to the law.

Management also threatens, coaches and bribes the workers to lie if they are ever approached by any of the investigating monitors.

The workers have actually smuggled a “cheat sheet” out of the factory, that management gave them in preparation for a second Wal-Mart visit planned for February 2, 2004. Twenty-eight questions are listed with the appropriate answers attached, which the workers are forced to memorize. Those who can correctly repeat the standard answers, will receive a 50 rmb bonus—which is not bad. With an average wage of just 16 ½ cents an hour, this $6.05 bonus amounts to more than 36 hours’ wages.

On the day of Wal-Mart’s visit, 400 or so workers were suddenly given a special day off, perhaps so that the 100 workers with the best memories would be around to answer Wal-Mart’s tough questions.

Evidently, during Wal-Mart’s announced November 12, 2003 visit, despite all the preparations, some obviously falsified time cards found their way into the monitors hands. This is what lead to the follow-up visit scheduled for February 2, 2004.

Disney is also participating in a similar farce, with their next announced monitoring visit scheduled for February 11, 2004.

One must wonder why all the monitoring attention is focused on the slow season and not the peak season when 2100 workers are commonly in the factory until 2:00, 3:00 or even 4:30 a.m., seven days a week. One must also wonder if any of the corporate monitors have ever bothered to at least drive by the factory, say at 9:00 p.m. or midnight—or even at 2:00 or 3:00 a.m. to see if the factory is operating. Or, have they ever bothered to show up on a Sunday or a national holiday? None of this should be that hard.
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Li Qiang, Director
BASIC QUESTIONS AND ANSWERS:
STAFF TRAINING FOR INSPECTION

1. What is your name?
2. When were you enrolled in this factory?
3. How long is the work-week?
   A: Five days a week.
4. How many days do you work during a month?
   A: 22 days a month.
5. How much is your monthly salary?
   A: The basic pay when initially enrolled is 450 RMB/month. After the first month of probation, it becomes 460 RMB. After the first year, the monthly salary automatically increases 10 RMB every year.
6. Under normal circumstances how long is the overtime?
   A: Till 8:30pm. At most 2 hours overtime per person per day.
7. Can you choose not to work overtime during rush orders?
   A: Yes. Just talk to the foreman or register with the Department of Personnel.
8. How is the regular overtime pay calculated?
   A: The regular overtime pay is 4.2 RMB/hour (470/20.9/8 x 1.5 = 4.2)
9. How is the overtime pay calculated for Saturday and Sunday?
   A: 5.6 RMB/hour. (470/20.9/8 x 2 = 5.6)
10. How is the overtime pay calculated for legal holidays?
    A: 8.4 RMB/hour (470/20.9/8 x 3 = 8.4)
11. Is there any stipend from the factory when the factory puts you on leave/vacation?
    A: For the first six days, there is 17.2 RMB stipend everyday; after 6 days, the stipend becomes 12.8 RMB/day.
12. How is the salary paid to you? Do you sign your name when receiving salary?
    A: It is paid every month, at the end of the month. We sign name to receive salary envelope, presenting factory ID and Personal ID.
13. What if the salary is not paid in the sufficient amount?
    A: The foreman will verify and ask for making up for the balance.
14. Does the factory provide room and board?
    A: There is 150 RMB deduction every month for the living expenses. Starting from June 1, 2003.
15. Does the factory withhold your salary?
    A: No.
16. When you start, is there any deposit?
    A: No.
17. If you make a mistake at work, is there a penalty?
   A: No. The team head and foreman will teach us with patience.
18. Is there any charge for your uniform and factory ID?
   A: No. Only if you lose them and ask for replacement.
19. Do you need to return them when you leave the factory?
   A: Yes.
20. Has the management ever physically or verbally abused you?
   A: No.
21. Have you seen child labor in this factory?
   A: No.
22. Have you signed a labor contract when you were first enrolled?
   A: Yes.
23. Have there been any fire emergency drills since you get enrolled?
24. Do you know how to use a fire extinguisher?
   A: Yes. There were instructions at enrollment. Also on bulletin board.
25. How many people live in a dorm? Do you feel crowded? Is there enough light?
   A: 10 people. It is not crowded. There is enough light.
26. How much total salary do you receive every month?
   A: About six to seven hundred.
27. How do you know all this? Is there anyone teaching you to say so?
   A: I learned some of these facts at Department of Personnel at the time of my enrolment. These are all facts.
28. Are you happy here?
   A: Yes.

*This particular “cheat sheet” was distributed prior to Wal-Mart’s announced “inspection” scheduled for February 2, 2004.

*The workers were paid 50 rmb for correctly memorizing the answers.
验厂员工培训基本内容问答题

一. 你叫什么名字？答：
二. 你是什么时候进厂的？答：
三. 你们厂一个星期上几天班？答：上5天班
四. 你一个月上几天班？答：22天。
五. 每个月的工资是多少？答：刚进厂时底薪450元，一个月，试用期一个月后底薪再升460元，一个月，做满一年后每年自动加增10元。
六. 一般情况下你会加班吗？答：加班到晚上8:30，最多都是每天加班2个小时。
七. 超过60天以上每天补助12.8元。
八. 平时加班费怎么计算？答：平时加班费为4.2元一个工时，(470/20.98×1.5=4.2)
九. 法定节假日加班费怎么计算？答：法定节假日加班费为8.4元一个工时，(470/20.98×2=8.4)
十. 你平时有休息日吗？答：没有。
十一. 厂里有休息室吗？答：没有。
十二. 厂里有没有收你押金？答：没有。
十三. 上班迟到按旷工处理吗？答：不对，组长和主管会耐心教导我们。
十四. 你会使用灭火器吗？答：会，进厂时有教过，后里的宣传栏也有使用方法。
十五. 你会使用灭火器吗？答：会，进厂时有教过，后里的宣传栏也有使用方法。
十六. 宿舍里住多少人？答：10个人，不挤，是。
十七. 你会使用灭火器吗？答：会，进厂时有教过，后里的宣传栏也有使用方法。
十八. 你会使用灭火器吗？答：会，进厂时有教过，后里的宣传栏也有使用方法。
十九. 宿舍里住多少人？答：10个人，不挤，是。
二十. 你在厂里见过工友没有？答：没有。
二十一. 你从进厂有没有做过消防演习？答：有。
二十二. 你从进厂有没有做过消防演习？答：有。
二十三. 你从进厂有没有做过消防演习？答：有。2002年11月20日。今年6月24日。
二十四. 你从进厂有没有做过消防演习？答：有。
二十五. 你从进厂有没有做过消防演习？答：有。2002年11月20日。今年6月24日。
二十六. 你从进厂有没有做过消防演习？答：有。
二十七. 你从进厂有没有做过消防演习？答：有。2002年11月20日。今年6月24日。
二十八. 你从进厂有没有做过消防演习？答：有。2002年11月20日。今年6月24日。
**Time Cards Document Obligatory 20½-Hour Shifts and Seven-Day Work Weeks**

These time cards show many mandatory 20½-hour shifts, stretching from 7:54 a.m. to 4:30 a.m. the following day. The shortest shift appears to be 14.66 hours, from 7:59 a.m. to 10:39 p.m. The time cards also document the obligatory seven-day work weeks.

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<th>After Noon</th>
<th>Overtime</th>
<th>Total</th>
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<td>7:54-11:11-11:45</td>
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</tbody>
</table>
Pay Stub Shows a Weekly Wage of just $16.18, including 35.9 hours of mandatory overtime. (Overtime was illegally paid at just 22 cents an hour)

The second pay stub shows a net weekly wage of just $12.86
Collectible Lil' Bobbers

Collect 'em all!

Doug Christie

NBA Licensed Product
Assembly line at the Faroway Factory
Factory Dorm - 20 workers share a room
Empire State Building
President of U.S. owned Fotoball Company visiting the factory.
FOREWAY

合艺电子塑胶制品厂

姓名：

部门：

职位：

编号：

入厂日期：

Worker ID
Workers’ IDs
Plastic Toy
9000659 KURT BUSCH 3” NASCAR BOBBLEHEAD DOLL
(Head shown for placement only)

KURT BUSCH

UNIFORM
- PMS 123
- PMS 280
- BLACK

HAT
- PMS 123
- PMS 280

BASE
- WHITE
- BLACK

IRWIN. Industrial Tools
PopLight
THE FIRST LIGHT UP LOLLIPOS
LIGHT UP THIN DISPLAY!!!
Sucette lumineuse
au goût de : melon,
fraise, citron, orange,
pomme, framboise.

luminous Lollipops
flavour watermelon, strawberry,
lemon, orange, greenapple
and raspberry

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TST East, Kowloon, HK
PATENT N°6 135 606
PATENT PENDING N°02.7773
AND N° 03.03462

Poids net :
18g e X 20 = 360 g e
Conserver à l’abri
de la chaleur et de
l’humidité

Presser le bouton
ON/OFF
pour faire s’illuminer
le présentoir.
Les sucettes s’allumeront
les unes après les autres
attirant l’œil
du consommateur.
Ne pas oublier de l’éteindre
à la fermeture de votre magasin.

INGREDIENTS:
sucre, dextrose,
acide lactique (E270), arômes,
colorants :
E102, E124, E129, E131, E171

Ingredients : sugar, dextrose,
lactic acid (E270), flavours,
colours : E102,
E124, E129, E131, E171

Zutaten : Zucker, Dextrose,
Milchsäure (E270), Aroma,
Lebensmittelfarbstoff
E102, E124, E129, E131, E171
AMS Bill of Lading Detail
Source: AMS Database

Shipper: FOREWAY INDUSTRIAL (CHINA) LIMITED
SONG BI TANG PIN TOWN
DONGGUAN GD
CHINA

Notify Party: HASBRO, INC.
200 NARRAGANSETT PARK DRIVE
PAWTUCKET RI 02862-0200
UNITED STATES

Consignee: HASBRO INC.
2900 JURUPA STREET
ONTARIO CA 91761
UNITED STATES

Packaging Information:
Weight: 7333 KG
Measurements: 3281 CM
Quantity: 8334 CT
TEU's: 4.00

Shipment Detail:
Carrier: OOLU - ORIENT OVERSEAS CONTAINER
Vessel: P&O NEDLLOYD STUYVESANT
Voyage: 016E
B/L: OOLU74139100
Pre Carrier: CHANGPING
Lloyd's Code: 9211482
Inbond Code:
Estimated Value: $ 34,580.00

Country of Origin: PEOPLES REP OF CHINA
Coastal Region: WEST
US Port: 2709 LONG BEACH
For Port: 57078 YANTIAN
US Dest:
For Dest:
Mode of Transport: 11
Arrival Date: 06/06/2003

AMS Commodities:

<table>
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<tr>
<th>Container</th>
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<td>OOLU8055856</td>
<td>4900</td>
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Marks & Numbers:

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<td>6 PCS</td>
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<td>BEYBLADE DELUXE</td>
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<td></td>
<td>LAUNCHER</td>
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</tr>
<tr>
<td></td>
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PIERS Commodities:

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<th>Qty</th>
<th>Units</th>
<th>Commodity Description</th>
<th>Harm Code</th>
<th>JOC Code</th>
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<td>8334</td>
<td>CTN</td>
<td>BEYBLADE SHOOTER</td>
<td>007985</td>
<td>7985000</td>
</tr>
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</table>

Note: Bills of lading that contain multiple commodities will list the total weight and TEU's for the entire bill of lading.
Company Profile: Fotoball USA Inc.

Fotoball USA, Inc.
6740 Cobra Way
San Diego, CA 92121
1-800-325-3686
info@fotoball.com

Fotoball USA, Inc. is the #1 manufacturer of bobblehead dolls in the world. Fotoball maintains licensing agreements with the following:

- The National Football League
- The National Hockey League
- Major League Baseball
- The National Basketball Association
- Minor League Baseball
- Major League Baseball Players Association
- National Football Players
- National Basketball Players Association
- National Hockey League Players Association
- NCAA
- USA Hockey
- Arena Football
- The Collegiate Licensing Company
- Mattel's "Barbie"
- Nickelodeon's, "Blue's Clues"
- Marvel's "Spiderman", "Incredible Hulk" and "X-Men"
- Warner Bros. "Scooby Doo" and "Looney Tunes".

In 2002, the company reported sales of $43,995,967.

On January 23, K2 Inc. completed their acquisition of Fotoball. K2 has the #1 market share in skis, and is also the parent company of Rawlings (the exclusive producer of Major League Baseballs). K2 reported revenues of $582,159,000 in 2002.
Corporate Addresses

Fotoball USA, Inc.
Michael Favish, Chief Executive Officer
6740 Cobra Way
San Diego, CA 92121
1-800-325-3686

K2 Inc
Richard Heckmann, CEO
2051 Palomar Airport Road
Carlsbad, CA 92009
Phone: (760) 494-1000

National Football League
Paul J. Tagliabue
Commissioner
280 Park Ave.
New York, NY, 10017
Phone: 212-450-2000
Fax: 212-681-7599

National Football League Players
Gene Upshaw
Chairman
2021 L St. NW
Washington, DC. 20036
Phone: 202-496-2860
Fax: 202-296-3486

Major League Baseball
Allan H “Bud” Selig, Commissioner
245 Park Ave.
New York, NY, 10167
Phone: 212-931-7800
Fax: 212-949-8636

Major League Baseball Players Association
Executive Director: Donald Fehr
12 E. 49th St., 24th Fl.
New York, NY 10017
Phone: 212-826-0808
Fax: 212-752-4378
National Basketball Association
David Stern
Commissioner
645 5th Ave.
New York, NY, 10022
Phone: 212-407-8000
Fax: 212-754-6414

National Basketball Players Association
Billy Hunter
Executive Director
2 Penn Plaza, Ste. 2430
New York NY 10121
Phone: 212-655-0880
Fax: 212-655-0881

National Hockey League
Gary Bettman
Commissioner
1251 Avenue of the Americas, 47th Fl.
New York, NY, 10020
Phone: 212-789-2000
Fax: 212-789-2020

National Hockey League Players Association
Robert W. Goodenow
Executive Director
777 Bay St., Ste. 2400
Toronto Canada
Phone: 416-408-4040

National Association for Stock Car Auto Racing (NASCAR)
Brian Z. France, President and CEO
1801 W. International Speedway Blvd.
Daytona Beach, FL, 32115
Phone: 386-253-0611
Fax: 386-681-4041

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Paul J. Tagliabue
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Wal-Mart’s Smoking Gun

*Rare internal memos smuggled out of a factory in China confirm abuses and expose Wal-Mart’s monitoring as a whitewash.*

- Wal-Mart is the world’s largest importer of goods made in China.
- In fact, **Wal-Mart uses 4,400 factories** in a single province alone—in Guangdong.

These very rare internal memos were smuggled out of the **Shuihe Electronics** factory by workers in China in May and June 2001. The Shuihe workers were routinely **forced to work 14 ½ to 18 ½ hours a day, seven days a week, handling toxic chemicals with their bare hands—while being paid just 13 cents an hour** to assemble toys for Wal-Mart. (See the NLC’s report “Toys of Misery,” February 2002, [www.nlcnet.org](http://www.nlcnet.org))

The first attached document confirms the mandatory all-night shifts from 7:30 a.m. straight through to **12:30, 3:30 or even 6:00 a.m. the following morning.** For working such 17 to 22 ½-hour shifts, the workers would be rewarded with a “night snack” bonus worth a whopping three to five rmb, or 36 to 60 U.S. cents.

The second document—“**Internal Notice (Instructions on Inspections from Wal-Mart)”**—clearly exposes Wal-Mart’s so-called monitoring program as an orchestrated farce and whitewash. This also confirms what workers from across the developing world have repeatedly described to us as the hasty and temporary preparations carried out in their factories in response to Wal-Mart’s announced “inspections.”

In preparation for Wal-Mart’s visit, Shuihe factory management ordered the appropriate staff to:

- **Unlock emergency fire exits;**
- **Unlock the first aid or medical boxes;**
- Prepare “qualified”—ie. doctored and cleaned-up—time cards and payroll lists;
- **Clean the factory and dorms;**
- Clean the kitchen, especially posting a “health certificate” and, temporarily, cleaning and cooking all food according to requirements;
- Workers were to wear their uniforms;
- Workers in the glue, spray painting and stamping departments, especially those close to “crude materials”
- were to be provided with and wear gauze masks and earplugs.

It is impossible that Wal-Mart is still so totally ignorant of the common practice in China for factories to keep two sets of time cards and payroll sheets, and to clean the factory, unlock emergency exits, provide safety gear and take whatever other steps are necessary in preparation for Wal-Mart’s announced visit. No company could be that shallow and gullible—unless of course it were consciously acting out a role with the full intent of achieving the desired result—a whitewash.
Shuihe Limited Incorporation

To all colleagues:

**Internal Notices**

*(Instructions on Overtime Work and its Payments for Employees)*

From July 1st, 2001 on, if the monthly-paid employee works overtime till 12:30am, the company will give subsidy for the overtime work (the amount of subsidy sees the following). If overtime working till 3:30am, the same amount of night-snack fee will be offered too.

1. Chief-directors, engineers, and advanced modeling workers: 5 Yuan/day.
2. Assistant chief-directors, assistant engineers, and assistant modeling workers, PIE, IE, electricians: 4 Yuan/day.

**On how to mark working-card for overtime-working:**

1. Overtime working till 3:30am or more, mark the card when the work is over, marking on the second spot of the next day.
2. Overtime working till 6:00am or more, mark the card when the work is over, marking on the fourth spot of the next day.

Departmental directors should specify “all-night-long work” on the last spot of the card in the same day, and sign it.

Jacky Wong  
June, 2001
**Shuihe Limited Incorporation**

To all departments:

**Internal Notices**
*(Instructions on Inspections from Wal-Mart)*

Wal-Mart will send inspectors here again to make evaluations on 7th, May. Please pay attention to the following issues:

1. All departments should do their jobs carefully, cleaning the working fields, piling up the materials neatly.
2. Make sure all employees from all the departments wear the uniforms and factories IDs, and doing their jobs according to the required procedures.
3. Medicine boxes in all departments should be unlocked; the doors of emergency exits should be unlocked too.
4. Following departments should do their jobs respectively:

<table>
<thead>
<tr>
<th>The Department</th>
<th>Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting department</td>
<td>Providing qualified wage lists, working card, and wage calculating method.</td>
</tr>
<tr>
<td>Security department</td>
<td>Responsible for cleaning (including dormitories and public space in the factory, fire-fighting equipments).</td>
</tr>
<tr>
<td>Kitchen</td>
<td>Everyone should keep clean, having “Health Certificate” and “Training Certificate” on them. Cleaning and cooking food strictly according to the requirements.</td>
</tr>
<tr>
<td>Silk Stamping department</td>
<td>All employees should wear gauze masks.</td>
</tr>
<tr>
<td>Painting Spraying department</td>
<td>All employees should wear gauze masks.</td>
</tr>
<tr>
<td>Glue shaping department</td>
<td>Employees close to the crude materials should wear gauze masks and earplugs.</td>
</tr>
</tbody>
</table>

Huang Qiaoru  
Personnel Department  
May, 2001