

**GROUP TWO**  
**(FINAL PRESENTATION)**

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## **Walmart Crisis Simulation Presentation**

### **Key Messages and Sub-Messages**

#### **CEO (Renata):**

- With aching hearts, we deeply regret that this has occurred, and we are doing everything in our power to assist the children involved, and their families, and we are committed to getting them the help and resources they need during this time.
  - We have established a toll-free hotline for anyone to call, 24 hours a day, for further information from a Walmart representative.
  - We are dedicated to be as responsive as possible on Social Media during this time.
  - Updates are also being posted to Walmart's website, and at a special site, [EquateTearFreeInfo.com](http://EquateTearFreeInfo.com).
- To ensure the safety of our products all new Equate branded baby products will now come with a tamper resistant safety seal to ensure an additional level of security.
  - We are also turning to our employees to be vigilant in the stores.
  - We hope that this additional preventive measure will reassure our customers that they come first. We are also working with the FBI's product tampering unit to review our retail practices to avoid any future tampering with any of our products.
- In an effort to ensure the safety of our customers, we are nationally removing all Equate Tear Free Night-Time Baby products
- We will be participating in multiple briefings per day with local police and Walmart executives.

#### **Plant Manufacturer Spokesperson (Ahsan):**

- At Walmart, product safety and quality control has always been a top priority. We place a great deal of effort to ensure all of our products meet and surpass state and federal requirements.
  - We stand by Walmart and the Equate branded products we manufacture
  - Our Equate brand is subject to the most stringent quality control measures possible. We are actively monitoring production as we speak and randomly sampling fresh batches, we keeping an observant eye on Equate children's products
  - Our initial reports and findings indicate that Boric Acid has not made its way into the manufacturing process and facility where Equate Tear Free Night-Time Baby Wash is made. Our plant uses an advanced assembly line technology, where up to 500 bottle of shampoo are created per minute. It would be physically impossible to stop mid production and tamper with a product without injuring oneself or others. In addition multiple sensor would indicate a degradation in the manufacturing process, which would require us to stop production test and sample the affected batch before resuming.

- Baby wash manufacturing is done in a 2 step process, first a large batch of shampoo is made (compounding) and then batch it filled into the packing (filling). After a batch is created, the Quality Control Department randomly selects a batch to be tested for consistency and chemical composition. At this point in time we still have not found any products that have been tampered with.
- Because it is our mission to determine the cause of this tragedy immediately, we have launched a preliminary investigation as to the possibility of tampering at a criminal level with local authorities, we are also consulting plant design experts to see if there are any weaknesses in our production lines that can be modified to ensure safety of our products.
- In agreement with our parent company Walmart, we are placing a new safety seal on the lid of all equate branded products. We will also place visible messages on all equate products to remind consumers to check the seal for tampering. We are making these changes to ensure this issue will never happen again.

**FDA Spokesperson (Kelsey):**

- We are doing everything we can to contain the situation so that no other families are affected.
  - Because we are committed to protecting all people, the FDA requested Walmart to pull all Equate brand Tear Free Night-Time Baby Wash from the shelves.
    - This will help us keep all other families safe, and will allow us to test random plant samples so that we can better pinpoint the origin of this suspected tampering.
    - We are also requesting that Walmart pull all Equate brand baby products that are currently without a safety seal from the shelves.
    - We are interviewing Walmart managers and employees to learn who may have had access to these products in order to tamper with them, and will follow every lead until the anyone who is found tampering with the products is brought to justice
    - We are reviewing video surveillance in all Walmart manufacturing facilities and stores to determine whether or not this was a tampering case
    - We encourage anyone who has had a child with these like symptoms reach out to your local disease/poisoning control branch for further assistance. We will provide you with the contact information at the end of this conference.
      - Dedicated 1-800 number
      - Visit the FDA's website for additional information regarding who to contact
    - The FDA will be participating in multiple briefings per day to ensure that everyone is informed about the situation and all people have access to the information they need. Please reach out with any questions.

**FBI Spokesperson (Rachel):**

- Because situation crosses state lines, Walmart contacted the FBI immediately as a proactive measure and the FBI is actively investigating.
  - the FBI is committed to assisting Walmart in investigating this devastating tragedy and ensuring the safety of the public.
  - The FBI has representatives staffed in Walmart's Bentonville, AK headquarters, and is working alongside Bentonville Police, as well as in Walmart's satellite offices in Chicago, Indianapolis, and Atlanta where tainted Equate products were sold.
    - The FBI is participating in multiple briefings per day with local police and Walmart executives.
  - We, along with local authorities, are reviewing video surveillance for suspicious activity in each of the areas where tainted products have been confirmed.
  - Will follow every credible lead
- Working alongside FDA for expert guidance on understanding Boric Acid, which we are using to investigate this situation.
  - Are comparing samples of Boric Acid, taken from Equate products, with Boric Acid produced in American manufacturing plants to get a sense of where the Boric Acid could have been procured.
  - Are also testing Equate products for DNA evidence that could link the products to the Boric Acid
  - Reviewing FBI databases for any possible information regarding links to this incident
- Working with Walmart employees to assist investigation
  - Employees are our eyes and ears, and we value this resource
  - interviewing employees and managers about any unusual activity, following up on leads from these employees, especially in areas where there are victims
  - Working with Walmart employees to learn more about the product involved, and the consumers that may have purchased the product
  - Have established a line of contact between the FBI and Walmart employees to create open dialogue for leads and concerns about the investigation.
- The FBI has established contact information for anyone to call or visit with any potential lead
  - Dedicated 1-800 number
  - Call local authorities and message will get to us
  - Visit the FBI's website for additional information
  - Contact any of Walmart's dedicated information sources, and any leads from those sources will be passed along to us
  - If you have seen, or heard of any suspicious activity please reach out.

**Organizations- Prospective Spokespeople & Relevant URLs**

- Company Spokesperson
- FBI
  - <http://www.fbi.gov>
- U.S. Food & Drug Administration
  - <http://www.fda.gov/default.htm>
- Walmart U.S. Manufacturing & Global Responsibility Report Website (Internal perspective on manufacturing process and commitment to providing untampered products)
  - <http://corporate.walmart.com/global-responsibility/us-manufacturing>
  - <http://corporate.walmart.com/global-responsibility/environment-sustainability/global-responsibility-report>

### **List of Key Publics**

- Shareholders
- Employees (current & future)
- Customers
- Victims
- Community
- Analysts & Researchers
- Media
- FBI & Law Enforcement
- Health Department
- Government Regulatory Agencies
- NGOs & Advocacy Groups
- Litigators & Attorneys
- Suppliers
- Public at Large (International Company)

### **Questions & Answers**

#### **1. When was it discovered that the Equate Tear Free Night-Time Baby Wash was tampered with and what retail location was it sold at?**

A: Unfortunately in the past few days we discovered that our Equate branded Tear Free Night-Time Baby Wash was tampered with. The tampered product was sold at our Suburban Chicago, Indianapolis and Atlanta locations. In an effort to ensure the safety of our customers, we are nationally removing all Equate Tear Free Night-Time Baby products

#### **2. What was causing the Equate Tear Free Night-Time Baby Wash to injure or kill infants?**

A: Our initial reports indicate that boric acid was found in Equate branded Tear Free Night-Time baby wash. Boric acid, also called hydrogen borate, is a weak, monobasic acid of boron used as an antiseptic, insecticide, flame retardant, neutron absorber, or precursor to other chemical compounds. The main symptoms of boric acid poisoning are blue-green vomit, diarrhea, and a

bright red rash on the skin. Boric acid can be found in antiseptics, astringents, enamels, glazes and medicated powders. Boric acid is a compound found in insecticides and has many other industrial uses. Ingestion of boric acid becomes lethal at doses of 2 to 3 grams in toddlers, 5 to 6 grams in adolescents and 15 to 20 grams in adults. So a few teaspoons of it can cause serious injuries or even death.

**3. Do we know who tampered with our products?**

A: At this point in time we know very little about who or what caused this regrettable incident. We are actively reviewing all surveillance equipment in our stores as well as interviewing all Walmart employees to determine if the source of tampering was internal or external. We have reached out to the local authorities who are assisting us in this matter, and also to the FBI, who are investigating leads on a national level.

**4. Have there been any deaths or injuries?**

A: Unfortunately, there have been 6 infant fatalities as a result of acute boric acid poisoning. Our condolences go out to the families that are suffering during this difficult time and we want them to know that Walmart stands with them. We have swiftly partnered with local and national authorities, which have immediately launched an investigation so that there are is no further exposure.

**5. Who are the victims? Can you release the names?**

A: Out of respect for the families involved, and in order to protect their privacy during this difficult time, we are not yet releasing the names of any victims of this tampering. If further information comes to light at a later time, we can revisit this question.

**6. What does Walmart have to say about this new development linking the infant deaths to its baby wash?**

A: We are shocked at dismayed about this new development, and we are doing everything in our power to assist the families involved and discover the source of the problem.

**7. What immediate actions are underway to contain the situation?**

A: Because we are committed to our customers and their families, and due to the location of the manufacturing facility which produced the tampered product, we immediately pulled all Equate Brand Tear Free Night-Time Baby Wash east of the Mississippi river, and soon thereafter, nationally from the shelves until further notice and launching a full investigation to determine the cause of this unfortunate incident.

**8. Do you plan to recall the baby wash nationally? What about other baby care products without safety seals?**

A: Out of an abundance of caution, Walmart recalled all Equate Tear Free Night-Time Baby Wash east of the Mississippi River, where the tainted products have currently been pinpointed. We are awaiting test results to determine the location of the other sources, and during the

waiting period, will recall all Tear Free Night-Time Baby Wash nationally. We are working with the FDA, and the FBI's product tampering division, to assess Walmart's baby care products to determine whether additional safety measures should be taken.

**9. What details can you give us so far about the investigations?**

A: We are fully cooperating with local Police Departments and the FBI, which has taken the lead on this investigation. At this time we have no suspects and we are still in the process of determining if this is a tampering act of any kind.

**10. What do you say to employees during the time? Do you try to manage this in the local level (in the markets with victims) or do you talk to employees at all 972 retail locations?**

A: We encourage employees to notify Walmart, or local/national authorities, regarding any suspicious activities, instead of discussing this matter with the media. We recognize that our employees are our first line of defense in our product quality standards, and we value them as a resource. In some cases, we plan to spend time with store managers on a local level in markets where there are victims, and encourage store management to contact us with any questions or concerns, at any time.

**11. How are you dealing with employees coming out about their living wages?**

A: While we are committed to ongoing discussions with our employees, our focus at this moment is on the families involved in this situation.

**12. Where can the general public get real time information in regards to the status of the investigation?**

A: We have set up a 24-hour toll-free hotline for anyone to call that requires further information from a Walmart representative. We have also provided a dedicated link on our consumer website ([www.EquateTearFreeInfo.com](http://www.EquateTearFreeInfo.com)) which will provide routinely updated information. We are actively posting and responding to tweets on our corporate Twitter account. In addition, our Facebook page is also continuously monitored to provide and respond to posts with the most up to date current information. Further, anyone can call their local police department, or contact the FBI directly to convey a lead. The FBI also has information on its website for anyone to visit for additional information.

**13. What can the general public do if they have already purchased the Equate Tear Free Night-Time Baby Wash?**

A: We will gladly accept the return of any opened or unused Equate Tear Free Night-Time Baby Wash in exchange for an in-store credit or a cash refund (receipt not required).

**14. What actions have been taken so far to help those that have been directly affected?**

A: We have immediately reached out to local hospitals where there have been confirmed deaths or injuries in relation to boric acid ingestion in infants. We are committed to helping families that

have been affected to get the care and medical advice they need. In addition, we have teamed up with the American Association of Poison Control Centers to help families better understand the prevention and treatment of poison exposures of boric acid.

**15. Is the company assuming responsibility for the casualties and injuries?**

A: As of yet we are unable to confirm how our products have been tampered with, at this point I can say that we are providing the all the necessary resources to our consumers and partners that have been affected by this heinous act. We also partnered with local authorities, and the FBI, right away, to ensure that no other consumers are affected.

**16. How do you think the public will react to the most recent news?**

A. Walmart has and will always put our customers first, families know and trust the Equate brand. We feel that our actions moving forward, will allow the public to see how much we value our customers. Online communities and bloggers have continuously supported our brands and achievements. Walmart Moms (<http://wm5.walmart.com/walmart-moms>) is a prime example of the trust our customers put into our products.

**17. How do you manage the social media situation?**

A: While we encourage consumers to contact Walmart for questions and information relating to this incident via social media and other means, we strongly believe that a person or persons outside of the Walmart organization wrongfully tampered with our product. Our manufacturing processes indicate that it would be nearly impossible for boric acid to be added to baby products inside our facilities. For this reason, we have immediately partnered with local and national authorities to investigation this situation. We have established a dedicated Twitter feed for up-to-the-moment information, and will make every attempt to respond to social media inquiries as our investigation proceeds.

**18. Have any preliminary funds been established in order to settle potential lawsuits against the company?**

A: It is too early to comment on this issue, we are more focused on helping our customers who have been adversely affected and catching the culprit who committed the gross act.

**19. What does Walmart say to investors and financial analysts?**

A: While we value the Equate baby product brand, it is one of many Walmart product lines and the investigation into this tampering will not affect our other many product lines and markets. We are confident that we will regain our market share.

**20. Have any other retail locations confirmed tampered stock?**

As of today, there have been no additional confirmations of tampered Equate Tear Free Night-Time Baby Wash products. We are removing all Equate Tear Free Baby Night-Time Wash products from our stores until further notice, and the FBI is actively testing Equate stock in order to confirm that no other products are tainted.



**21. What additional preventive measures are you adding to ensure that all Equate baby products in the future are safe?**

A: All new Equate branded baby products will now come with a tamper resistant safety seal to ensure an additional level of security. We hope that this additional preventive measure will reassure our customers that they come first. We are also working with the FBI's product tampering unit to review our retail practices to avoid any future tampering with any of our products.

**22. In the 1980's, the makers of Tylenol had a similar issue of product tampering, are there any correlations at this time?**

A: While we applaud the makers of Tylenol for diligently taking action and responding to the public effectively, we don't see a direct comparison as of yet. It would be too early to make this assumption and we are more focused on preventing further injuries and regaining the trust of our customers back.

**23. What can the public do if they have any leads or information that can aid us in the investigation?**

A: We encourage the public to call our 24-Hour toll free hotline immediately if they have any information that will help our investigation or call your local authorities.