

June 2009

NomineeAlert

Martinez's Background

Founder, Directors Council

Partner, Munger, Tolles & Olson
L.L.P.

Co-Founder, President & General
Council, MALDEF

Litigation Associate, Cahill,
Gordon & Reindel

Equal Employment Opportunity
Counsel, New York State Division
of Human Rights

Staff Attorney, NAACP

Board Member:

Burlington Northern Santa Fe
Corporation

Fluor Corporation

Bank of the West

Anheuser-Busch Companies, Inc.

Shell Oil Company

University of California Board of
Regents

EDUCATION

B.A., University of Texas at Austin

L.L.B., Columbia University

School of law



this issue:

Vilma Martinez, Nominee for
Ambassador to Argentina

Who is Vilma Martinez?

On May 27, 2009 President Obama announced his intention to nominate Vilma Martinez to be Ambassador to Argentina.

Martinez served on a Los Angeles commission charged with distributing cigarette tax funds for preschool education programs. A state audit found that the commission spent only 15% of its funds and had \$630 million on hand. Furthermore, **21% of expenses had been spent on administration—the second worst showing of the state's 58 commissions.** The

commission spent more on travel than other commissions and had no limit on lodging expenses. When Martinez resigned, the chair of the commission attributed her resignation to her being uncomfortable filing required conflict-of-interest statements. Fn.1.

There were numerous corporate governance issues

The Wrong Advocate for America...

at Anheuser-Busch, where Martinez spent 25 years as a board member. Five beer distributorships were owned by then-current or

former board members.

Andrew Taylor, the CEO of Enterprise sat on Anheuser-Busch's board. He, along with his family own Enterprise. Anheuser-Busch paid millions of dollars to Enterprise. In fact, in 2007, Anheuser-Busch paid over \$12 million to Enterprise for car rental and other services, such as buying, selling, and maintaining company vehicles.

Anheuser-Busch received an F rating from The

Corporate Library, an independent research

firm. The firm noted several problems with the Anheuser-Busch: "the potential conflicts of interest among Anheuser's board members, its staggered board and the advanced age of some directors." Anheuser-Busch's sales plateaued, and the company was sold to InBev, a Belgian-Brazilian

Continued next page...

"Martinez's lack of significant foreign policy experience as well as her past advocacy work cast serious doubt on whether she has the right qualifications and temperament to serve as an ambassador."

-Don Todd, Director of Research, Americans for Limited Government

Sources for further reading:

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Fn.2. Matthew Karnitschnig and David Kesmodel, *Anheuser-Busch Gets a 'D'*, Deal Journal, THE WALL STREET JOURNAL, June 16, 2008. Available online at: <http://blogs.wsj.com/deals/2008/06/16/anheuser-busch-gets-a-d/>. (Accessed June 9, 2009.)

Christopher Titto, *Oh, to be a fly on the wall at the A-B board meeting*, ST. LOUIS BUSINESS JOURNAL, June 23, 2008. Available online at: <http://www.bizjournals.com/stlouis/stories/2008/06/23/story2.html?page=1>. (Accessed June 9, 2009.)

Tim Barker, *Loyalty of A-B board may be put to the test*, ST. LOUIS POST-DISPATCH, June 20, 2008, at A1.

Fn.3. Chris Kromm, *Meet the Disaster Profiteers: Fluor Corp.*, FACING SOUTH, The Institute for Southern Studies, September 19, 2005. Available online at: <http://southernstudies.org/2005/09/meet-disaster-profiteers-fluor-corp.html>. (Accessed June 9, 2009.)

U.S. Contractors in Iraq penalized, Associated Press, April 26, 2004. Available online at: <http://www.msnbc.msn.com/id/4838246/>. (Accessed June 9, 2009.)

Fn.4. *NLPC Asks Anheuser-Busch and Other Companies to End Support for MALDEF, Which Opposes 'Pro Business' Judge Roberts*, Press Release from National Legal and Policy Center, September 20, 2005. Available online at: <http://www.highbeam.com/doc/1P2-13202378.html>. (Accessed June 9, 2009.)

Fn.5. Jill Stewart, *Emperor of Ignorance*, NEW TIMES LOS ANGELES, November 4, 1999. Available online at: <http://www.onenation.org/9911/110499.html>. (Accessed June 9, 2009.)

See also, Martinez bio on answers.com. Available online at: <http://www.answers.com/topic/vilma-socorro-martinez>. (Accessed June 9, 2009.)

Fn.6. David Bacon, *Fresno Media Workers Fight the "Mexican Wage,"* LaborNet Newsline, March 29, 2000. Available online at: <http://www.labornet.org/news/031500/01.html>. (Accessed June 9, 2009.)

What you really need to know about Vilma Martinez

Continued from first page...

company, in 2008. **Fn.2.** Anheuser-Busch, Fluor Corp, and Burlington Northern Santa Fe used the services of Martinez's law firm, where she is a partner. At Anheuser-Busch, Martinez chaired the Corporate Governance Committee and served on the Audit and Executive Salaries Committee. Martinez served on the Audit, Executive, Public Policy, and Governance Committees at Fluor. During Martinez's tenure on Fluor's board the company has paid millions of dollars in fines and settlement costs for cheating taxpayers.

Fn.3.

Martinez served on BNSF's Directors and Corporate Governance Committee and the Executive Committee. She has received hundreds of thousands of dollars in fees and stocks from Fluor and Burlington Northern Santa Fe.

Not only did Martinez and her law firm profit from her roles on corporate boards: Martinez's old organization, MALDEF, also benefited substantially from her positions on corporate boards.

Anheuser-Busch gave generously to MALDEF—at least \$100,000 between 2003 and 2004. "Indeed, Anheuser-Busch appears to be MALDEF's largest corporate donor." **Fn.4.**

During Martinez's tenure, MALDEF obtained a ruling that guaranteed bi-lingual education to non-English-speaking children. In spite of the costs to taxpayers and the harm to children, Martinez supports bi-lingual education for non-English-speaking children.

Years later, while serving as the Los Angeles Unified School Board counsel she negotiated with her old organization, MALDEF, over execution of Proposition 227. Proposition 227, which passed overwhelmingly, was designed to virtually end bi-lingual education. **Fn.5.**

Martinez was also involved in *Plyler v. Doe*, which guaranteed illegal immigrants access to taxpayer-funded education. *Id.*

Martinez represented Univision when some of their Fresno, California employees went on a six-week hunger strike to bring attention to their low wages after wage negotiations failed. **Univision employees in Fresno were being paid about half what employees at English-language stations were making.** Furthermore, the station had fewer employees and had far more viewers than the other stations in the Fresno market. At the time of the dispute, Univision stock was performing very well, and the company was profitable. **Fn.6.**

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