

To Whom It May Concern:

This is in response to correspondence received from Comm-SAG (auditecsolutions.com) stating money is owed to Walmart regarding the past 4 years' invoices which have already been paid. My name is _____, I am the son of the founders of (company name). My wife and I have owned and operated this company since 2003 after our retirement from the US Navy.

My father and mother began this business in 1986 as a service to the community and one of their first customers was the Walmart Corporation. The greatest value we try to reflect as owners and operators of a service-based company, is that *integrity* must be the foundation on which we were to operate and to conduct our day-to-day business. I do not believe a company can stay in this service-based industry for 38 years and be unethical with their dealings.

We have evolved from a handshake-type business to a 20-page document written by a lawyer *telling us* how we are to conduct business with Walmart, as our customer. They set the rules and policies that we must follow and abide by year after year. We learned how to follow their programs and ways of wanting it done.

The rise of the third-party logistics companies (3PLs) included Service Channel, also known as the middleman/broker. The 3PLs have complicated every aspect of what and how we manage our business. They sell the idea of saving time and money by managing functions and manual work via the use of their technology. This is incorrect and laughable to say the least. They muddy the water and create extra work and expenses for the vendors by bringing a 20-page Scope of Work (SOW) and a tracking system that is supposed to monitor and track what we do as a service provider.

In theory their system was to track our activity while on the property. The first step was to log in using a smart phone or tablet using a code provided by the 3PL, and that would start a clock on their end, depending on weather condition, size of the store, time of year, holiday or not, it would take 1-to-3 hours to complete the job at which time you had to stop and log out using the same code.

Keep in mind that each vendor had a code; the store location had a code; and there was a code for each service provided. For us this included sweeping, washing, landscaping and de-icing. To make matters worse, the codes provided, except for the vendor code, would change daily, weekly, or monthly; this was predicated on frequency of each service performed in that given month. We are part of *rural* America, meaning that cell service or internet was always and is still sketchy today. The digital system was usually backed up by calling a live person, i.e., a call center, and they would log us in using the same codes provided to us. There is NO surefire way to do this (log-in).

Over the last 15 years, due to the fact we had to overcome a flawed 3PL system, we developed our own quality control approach. We incorporated a signature page with a duplicate so the store manager or his designated person would have to sign off each service and night rendered. This signature process could take as long as 30 minutes to complete depending on how busy the store was at that time. We also installed GPS in all our equipment as part of what we had to do to prove we were there, and we completed the job as described in the SOW.

I cannot speak to what happens to the duplicate of the signature paperwork once it is left with the store leadership. Our GPS systems historically tracks up to 90 days in most cases before the system wrote over the old history. Our paperwork is stored in boxes. Each store has a box for each service, each day, and each year. That means 365 days, time 12 stores, for each service.

This worked for a while, then COVID 2019 changed everything **again**. There was no more human contact, paperwork went away, and the stores went from the 24/7 schedule to a much smaller schedule, which left us with only the *digital* system. The fail safe here is, every store manager has had, and still today has, up to **“3 days to approve or disapprove the work performed at their store.” Walmart also has an automated program that specifically checks invoices, called “invoice Review Tool API.”**

Our company tracks, **in-house**, all services conducted via an internal invoice that carries the PO number. It captures the type of work and how many nights we performed for the week by date. The drivers are required to leave a note or voicemail letting us know of any problems that had come up that night; with that information our office would complete that task of validating that night’s work with the 3PL so we could get paid for the work we had completed.

We have also had to hire additional office staff to perform this added paperwork. It is an uphill battle trying to reach a live person and when you do, it would seldom be the same person you spoke with the day before. There is no continuity of service on their end. We would send our information relating to the individual night in question and half the time it was lost on the 3PL’s end. In all, it took an average of 5-day business days to fix each issue in general. At NO time did the 3PL or Service Channel make it easy; instead, the burden was ours to prove!

Old and NEW 3PLs, to include Service Channel in the last 10 years, has a “new and improved” system and we’ve marched to the new tune each time if we wanted to stay in business with **OUR** costumer. The new idea is we put our rates lower for the hopes of either getting more stores or more services per store. This very seldom happens because the 3PL’s will bid lower on a particular store or service, killing any chance, which means we are forced to take a lower rate for the work being done. We are also forced to accept waiting 30, 60, 90, and even 120 days to receive compensation for work completed.

Service Channel even charges us for every invoice processed through them, which we have no choice but to agree to, and that decision was made **after** our contracts were signed. This is becoming a widespread shift in our culture. Currently, we are being threatened by this auditing company to pay back a designated amount to Walmart, for which it presumably earns a flat rate or percentage of the total. If it is not paid, they will deduct it from monies owed to us on other work performed from this year's current work completed.

Extortion is the term that comes to mind. To date this amount has changed twice since correspondence was established. The years being questioned in addition to 2023 are, astonishingly, 2020, 21, 22.

Bottom line: Walmart and the 3PL's will not pay on a single invoice if it's not correct from cradle-to-grave, period; however, now we are being told it was not done correctly on Walmart's end. We've met the terms and completed the task in accordance with the SOW's, and it was determined to be correct by the 3PLs and therefore was paid. We have paid taxes, workman's compensation, CPA's, bookkeepers and all the other small items that it takes do business AND now we're tasked with going back 4 years on those books that have been closed out. To have the audacity to judge past work by a different set of values/controls set for today is both unethical and nonsensical.

Our company works very hard at what we do, and we do it with integrity. That has been a function of our company for 38 years and counting.

Signed,