

# PUBLICATION

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## Transportation Carrier Kickback Scheme Results in \$147 million Jury Verdict

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A Wisconsin jury recently reinforced the need for anti-kickback clauses in transportation contracts. The jury awarded the SC Johnson Co. (SCJ) \$147 million in damages based on the company's suit against its former transportation director, his second in command and several of the transportation companies doing business with SCJ for engaging in a widespread bribery and kickback scheme, according to published reports. The jury verdict of \$147 million is even higher than the \$101.9 requested by the SCJ attorneys.

Scott Carey, who chairs Baker Donelson's Transportation Practice Group, said, "This verdict is an excellent illustration of some of the things that both our shipper and carrier clients need to be aware of."

The defendants were found guilty of fraud, conspiracy to commit bribery and fraud and violation of the Wisconsin Organized Crime Control Act, which includes mail and wire fraud, according to the SCJ website. In addition, the SCJ former employees were also found liable of a breach of fiduciary duty. Evidence presented at trial showed that the former SCJ transportation director received "hundreds of thousands of dollars in cash, lavish travel and expensive jewelry" in return for access to the SCJ business relationship he provided for the transportation carriers.