



Legislation Text

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151309
ORIGINAL

THE CHAIR

Resolution authorizing the City Attorney to join the City of Milwaukee as a plaintiff in the liquid aluminum sulfate bid rigging and price fixing class action lawsuit of his selection in the District Court of New Jersey or other court of competent jurisdiction, and further authorizing the City Attorney to select and retain outside counsel to represent the City of Milwaukee in such lawsuit.

On October 27, 2015 Frank A. Reichl, an employee of General Chemical Corporation, pleaded guilty in a United States Department of Justice criminal investigation for his role in a conspiracy to fix prices, rig bids and allocate customers for liquid aluminum sulfate supplied to municipalities and pulp and paper companies. This resolution authorizes the City Attorney to join the City of Milwaukee as a plaintiff in one of the civil class action lawsuits filed shortly after Mr. Reichl's guilty plea. As of December 8th, 2015, nine such lawsuits, which may be consolidated in early 2016, have been initiated in the District Court of New Jersey by various plaintiffs on behalf of a nationwide class of direct purchasers of liquid aluminum sulfate. The defendants include General Chemical Corporation, from whom Milwaukee Water Works has purchased liquid aluminum sulfate since at least 1999. This resolution further authorizes the City Attorney to retain outside counsel to represent the City in the class action.

Whereas, Various plaintiffs have filed class action lawsuits in the District Court of New Jersey seeking to recover damages incurred by the nationwide class of direct purchasers of liquid aluminum sulfate due to the defendants' alleged illegal bid rigging, price fixing, and customer allocation; and

Whereas, Milwaukee Water Works has purchased liquid aluminum sulfate from one of the defendants in these lawsuits, General Chemical Corporation, since at least 1999; and

Whereas, In order to protect the financial interests of the City of Milwaukee, the City Attorney requests authorization to join the City of Milwaukee as a plaintiff in the class action lawsuit of his selection; and

Whereas, The City Attorney further requests authorization to select and retain outside counsel to represent the City of Milwaukee in such lawsuit in the District Court of New Jersey or other court of competent jurisdiction; now, therefore, be it

Resolved, That the Common Council of the City of Milwaukee hereby authorizes the City Attorney to join the City of Milwaukee as a plaintiff in the liquid aluminum sulfate bid rigging and price fixing class action lawsuit of his selection; and be it

Further Resolved, That the Common Council of the City of Milwaukee hereby authorizes the City Attorney select and retain outside counsel to represent the City of Milwaukee in such lawsuit.

City Attorney
Andrea Fowler

December 9, 2015
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