



## Landfill Defamation Verdict in Texas

**8 November 2010**

Texas Disposal Systems Landfill, Inc. (TDS) has received a \$25.45 million verdict from a Travis County State District [jury](#) in its lawsuit against Waste Management of Texas, Inc.



The jury awarded \$5.45 million in actual damages and \$20 million in exemplary damages, finding that Waste Management had circulated false and defamatory statements about TDS and its Austin, Texas landfill in 1997.

The statements in question came about after TDS received approval from the San Antonio City Council for a 30-year [landfill](#) disposal, transfer station and recycling contract. At the time, the companies were competing for a 30-year contract with the City of Austin.

"TDS is very pleased to have had the opportunity to fairly present its case and to see justice prevail," said Bob Gregory, chief executive officer of TDS. "We hope Waste Management's board of directors will receive the jury's apparent message concerning the acceptable limits of fair competitive practices."

### Findings

The jury found that Waste Management's employees and other representatives made the statements knowing of their falsity or with reckless disregard as to whether the statements were true or not.

The jury's verdict found that Waste Management made statements that:

- Falsely implied that TDS's southeast Travis County facility was environmentally less protective than other area landfills
- Falsely stated that TDS had obtained an exception to the important and rigorous environmental rules affecting landfills, and
- Falsely stated that TDS accepted types of waste that are not permitted under State rules and under its permit.

The false and defamatory statements were made in a grassroots campaign to leaders in Austin's environmental community, as well as to members of the media and Austin City Council, without identifying that the source of the statements was Waste Management.

The case was filed in 1997 and originally tried in early 2003; however, in 2006, the Texas Third

Court of Appeals remanded the case for retrial.

Mr. Gregory was a principal witness at trial, along with expert witnesses hydrogeologist Robert Kier and engineer Pierce Chandler, and members of Austin's environmental community, subpoenaed former Waste Management employees, and others. TDS's trial counsel was Mike McKetta and Jim Hemphill, with the firm Graves Dougherty Hearon & Moody. The two-week trial was conducted in the 345th State District Court, the Hon. Stephen Yelenosky presiding.