



Class Action Lawsuit Will Seek at Least \$27 Million in Damages Over San Angelo Trash Controversy

by Joe Hyde

Jun 25, 2014

Plaintiffs are seeking at least \$27 million in refunds and damages over Republic Service's billing practices for commercial customers. The plaintiffs are also seeking all court fees and attorney fees, along with interest.

The lawsuit, a draft of which was reviewed by LIVE!, will be filed against Republic Services this week for the alleged overbilling of commercial customers in San Angelo. Petitioners will argue that Republic Services harmed commercial trash-pickup customers within the City of San Angelo by charging fees not authorized by City ordinance.

Specifically, the plaintiffs said, commercial trash customers' bills show a single line for "Total Fuel/Environmental Recovery Fee" that is alleged to be equal to 32 to 34 percent of the roll-off trash service charges.

A City franchise fee, four percent, was charged against these customers' inflated amount on a separate line on customer invoices.

The plaintiffs will argue that commercial trash customers with trash service in containers that are commonly referred to as "dumpsters" were affected.

The lawsuit alleges Republic Services of:

1. **Breach of contract:** By invoicing and cashing checks of customers for service, plaintiffs allege that Republic was in a legal contract with all of them. And because the invoicing amount is alleged to not be legal, Republic was in breach of contract with the plaintiffs.



A Texas Disposal Systems trash truck. Texas Disposal is leading the charge against competitor Republic Services after Republic was chosen as the sole winner of the City of San Angelo trash contract. (LIVE! Photo/Joe Hyde)

2. **Unjust enrichment:** If this allegation is proven, the plaintiffs are seeking treble damages (or three times the judgment amount).
3. **Discriminatory Treatment by a Public Utility:** Residential customers were only charged 5 percent fuel surcharges, and customers with carts were charged only 6.4 percent. Meanwhile commercial dumpster customers were charged 33 to 34 percent in surcharges. This was discrimination, the plaintiffs alleged.
4. **Deceptive Trade Practices.**

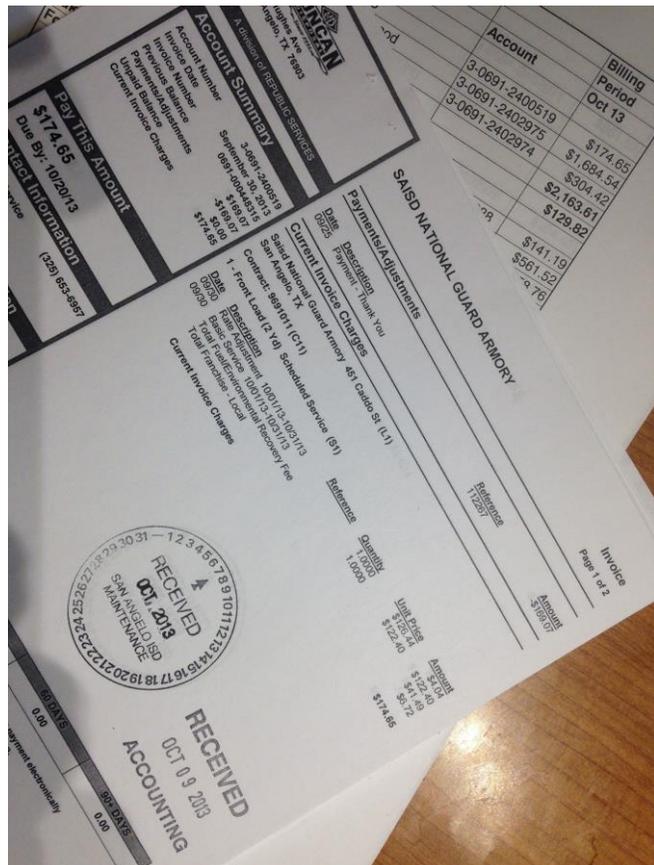
The plaintiffs will ask the court to certify the plaintiffs as a class since there are common issues and calculations of the amount of the harm.

The lawsuit will seek approximately \$9 million, which is the approximate calculated amount of the alleged illegal surcharges over 14 years, plus all legal fees, court costs, and interest.

The San Angelo attorney representing the plaintiffs is Paul Stipanovic of the San Angelo law firm Gossett, Harrison, Millican & Stipanovic, PC.

The plaintiffs have yet to be named, but the organization of the class action lawsuit is being conducted by Texas Disposal Systems, or TDS. TDS CEO Bob Gregory made the allegation of Republic's overcharging of commercial customers in his cover letter in the TDS bid for the City of San Angelo trash pickup and landfill management requests for proposals on April 1. We reported on the allegation in depth two weeks later, followed by the local newspaper, who revealed that their company, Scripps, was paying the suspect charges.

Since then, Republic officials have been silent on the matter. The City to this day, some three months later, said that they are "researching" the charges. Earlier this week, Mayor Dwain Morrison said that Republic will hold a news conference this week to explain everything. So far, no official announcement of a news conference has been made. However, word of a Republic news conference at 9 a.m. Monday morning is circulating.



Above: A Republic Services invoice paid by the San Angelo ISD in Oct. 2013. This shows the single line item. "Total Fuel/Environmental Recovery Fee" and the four percent franchise fee assessed against the inflated amount. San Angelo ISD is considered a commercial trash customer.