

WORST CORPORATE CONDUCT OF 2017

DECEMBER 2017

About the American Association for Justice (AAJ)

The American Association for Justice works to preserve the constitutional right to trial by jury and to make sure people have a fair chance to receive justice through the legal system when they are injured by the negligence or misconduct of others—even when it means taking on the most powerful corporations.



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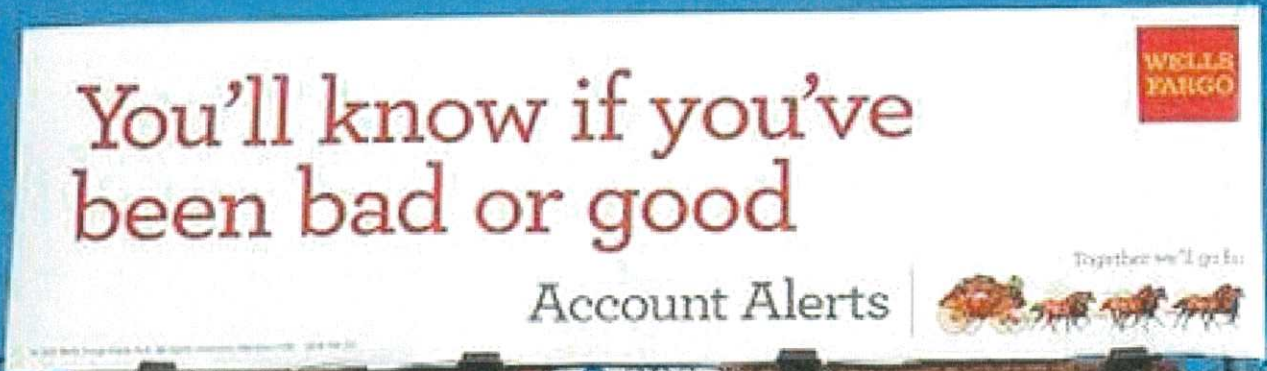
Front Cover: (clockwise from top left) Monsanto CEO Hugh Grant, Johnson & Johnson CEO Alex Gorsky, Takata CEO Shigehisa Takada, McKesson CEO John Hammergren, Equifax CEO Richard Smith, United Airlines CEO Oscar Munoz, Wells Fargo CEO John Stumpf, and Fox News CEO Roger Ailes.

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Source: The Financial Brand

THE WORST CORPORATE CONDUCT OF 2017

Corporate misconduct is not just a news story on the financial pages. As big companies play an ever-increasing role in our daily lives, misconduct impacts us in our work spaces, our homes, our cars, our phones, and even in our medicine cabinet. Here are 2017's worst examples of corporate misconduct:

United Airlines Forces a Passenger off a Plane, Breaks His Nose, Knocks Out His Teeth

- Violently removed a passenger from plane
- Killed rabbit, man-handled violinist, barred teens for wearing leggings, and resold children's seats

On April 9, Kentucky doctor David Dao was violently dragged from his seat on a United Airlines flight to make room for United personnel. Dao suffered a concussion, broken nose, and lost two front teeth in the incident, which was recorded by nearby passengers and shared on social media, causing a worldwide outcry.¹ Other passenger horror stories soon came to light, including a 71-year-old man being knocked unconscious by a United employee and subsequently told he would have his frequent flyer miles taken away and be banned from flying United if he complained.²

United Airlines		
REVENUES	PROFITS	CEO COMPENSATION
\$36.5 billion	\$2.2 billion	CEO Oscar Munoz made \$18.7 million in 2016, more than any other airline CEO.

Facing a series of lawsuits from Dao and other angry passengers, United committed to changes to its customer experience policies, including limiting the use of law enforcement to safety issues; only requiring customers to give up their seats for safety and security reasons; and increasing compensation for passengers who voluntarily give up seats.³

United passengers weren't out of the clear though. The airline made news for a variety of other incidents throughout the year, including the death of a giant bunny rabbit in one of its holds, the man-handling of a classical violinist, the blocking of two teenagers boarding a flight because they were wearing leggings, and a mother forced to hold her two-year-old son for a three hour flight after the airline resold his seat.⁴

In September, the U.S. Department of Transportation announced it had found no reason to fine United over the Dao incident. Dao himself settled confidentially with United.⁵

Monsanto's Ghostwriting of Scientific Studies

- **Ghostwrote scientific studies to hide cancer implications**

Employees of the giant agrochemical company Monsanto ghostwrote scientific reports that led the U.S. Environmental Protection Agency (EPA) to conclude that glyphosate, a chemical in its Roundup weed killer, did not cause cancer. Emails discussing the ghostwriting were revealed as part of a mass litigation by farmers and others claiming that Monsanto failed to warn that Roundup could cause non-Hodgkin's lymphoma.

Monsanto		
REVENUES	PROFITS	CEO COMPENSATION
\$13.5 billion	\$1.3 billion	CEO Hugh Grant made \$11.8 million in 2016, but was also given a \$600 million bonus in 2015.

In one email, a Monsanto executive stated, "we would be keeping the cost down by us doing the writing" while researchers "would just edit & sign their names so to speak."⁶ Other court records show that Monsanto was working with an EPA official to stop the U.S. Department of Health and Human Services (HHS) from beginning its own review. One Monsanto executive wrote in an email that the EPA

official had told him, "If I can kill this, I should get a medal."⁷ HHS did not go forward with the review.

The International Agency for Research on Cancer, a branch of the World Health Organization, determined that glyphosate was a probable carcinogen in 2015, prompting Monsanto's public relations campaign.