

State Farm Ducks Racketeering Trial With \$250 Million Accord

State Farm agreed to pay \$250 million on the brink of a trial to customers who claimed the company tried to rig the Illinois justice system to wipe out a \$1 billion jury verdict from 19 years ago, **Bloomberg reports**.

“The customers were seeking as much as \$8.5 billion in damages in a civil racketeering trial that was set to start Tuesday in federal court in East St. Louis, Illinois. A judge granted preliminary approval to the accord and set a final fairness hearing for December,” according to the report.

Policyholders had accused the company of leading an effort to recruit a judge friendly to its cause for the Illinois Supreme Court, secretly funding Judge Lloyd Karmeier’s 2004 election campaign by funneling money through advocacy groups that didn’t disclose donors. Under the federal Racketeer Influenced and Corrupt Organizations Act, any damages would have been tripled.

Read the Bloomberg article.