**Review Case Problems**

**Chapter 15**

**1.** In 2007, Justin’s Inc. suspected and accused one of its employees, Alfred R. Albrect, of theft. The union to which Albrect belonged negotiated an oral contract with Justin’s whereby Albrect agreed to accept a permanent layoff if Justin’s would not report the suspected theft to the state’s unemployment agency so that Albrect could collect unemployment benefits. Justin’s agreed. It is a crime for an employer and employee to withhold relevant information from the state’s unemployment agency. Justin’s subsequently reported the suspected theft to the state’s unemployment agency, and Albrect was denied unemployment benefits. Albrect sued Justin’s for damages for breach of contract. Can Albrect recover against Justin’s?

**1.** *Issue:* Is the contract between Justin’s and Albrect illegal? Is there unequal guilt? Agreements to commit crimes are illegal and unenforceable. The courts may give a remedy when there is unequal guilt. *Decision:* Albrect cannot recover against Justin’s for breaching the illegal contract to commit a crime (hide information from the unemployment agency). Justin’s cannot be held liable for performing its legal obligation to reveal all relevant information to the state’s unemployment agency. The court will not act to enforce an illegal agreement. Albrect cannot successfully argue that Justin’s is more guilty than he is.

**2.** John Soifer paid an unsolicited $3,000 bribe to Judge Susan Whitehead so that the judge would be lenient to a friend of Soifer’s who had a case pending before Judge Whitehead. Judge Whitehead reported the incident and turned the money over to the state’s attorney general. The state of Maine indicted Soifer for bribery and sentenced him to four years in prison. Soifer filed a motion to recover the $3,000 from the state. Can Soifer recover the money?

**2.** *Issue:* Is the contract between Soifer and Judge Whitehead illegal? Will the court give Soifer a remedy? *Decision:* The contract is illegal. Soifer cannot recover the $3,000 in bribe money. Agreements to commit a crime are illegal and void. A court will not aid a man who founds his cause of action upon his own illegal acts by awarding damages for breach of such a contract. In this case, even if it could be postulated that Judge Whitehead breached a contract with Soifer or that there was a complete failure of consideration, Soifer would be devoid of any legal means to recover the money paid for the performance of an illegal act. The court held that it is unthinkable that a court will aid a briber in recovering the money with which he voluntarily parted in furtherance of his unlawful venture. Therefore, no recovery is allowed.