



Investigating Shipping Shenanigans

UNCOVERING THE ILLICIT SHIPMENT OF GOODS IN VIOLATION OF FEDERAL AND STATE LAWS + A FRANCHISE OWNER'S CORPORATE POLICIES

Client's Challenge

The laws and regulations for shipping alcohol vary by U.S. state. They also depend on whether the shipper is a licensed dealer, a manufacturer or a seller and whether the receiver is of age to accept the package. For these reasons and others, one national gourmet food chain expressly forbade their franchisees from selling or shipping alcoholic beverages.

As such, when the U.S. Postal Service alerted the COO that they'd intercepted and confiscated multiple packages sent from three franchisees, the COO wondered how extensive the problem actually was and contacted us to find out.

Support + Solutions

We first determined if more than three of the franchises were shipping and selling alcohol, and then we placed and received online orders for these products. We assessed, surveilled and further investigated 16 locations in 10 states to conclusively determine what other shipping carriers the franchisees were using.

Impact + Outcomes

Our investigation helped management crack down on illicit alcoholic beverage shipments for the franchise. We also recommended solutions, including offering court-admissible evidence and expert witness testimony to support canceling or renegotiating franchisee contracts; filing lawsuits against the franchisees; and potentially referring the issue to federal, state, and local law enforcement.

SERVICE
Civil Investigations +
Litigation Support

CLIENT
A National Chain of
Gourmet Food Stores

INDUSTRY
Retail + Consumer

The Project Manager's Post-Engagement Perspective

"This phased engagement started quickly and urgently. The company needed to determine the extent of the illicit shipments as soon as possible.

"As we learned more, we consistently updated the company's general counsel.

"When leadership was confident they knew the full extent of the challenge they faced, they authorized additional investigative phases and due diligence efforts. They've also said they'll call on us should they need expert witnesses."