

The Boston Globe

New lawsuit claims Uber exploits its drivers

By Michael B. Farrell | GLOBE STAFF JUNE 26, 2014

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The Uber app in use by a limousine driver in Beverly Hills, Calif.

Adding to the growing list of challenges facing Uber Technologies Inc. , a well-known Boston labor lawyer is suing the upstart car service claiming that it is exploiting drivers.

The suit filed Thursday in Suffolk County Superior Court in Boston by Shannon Liss-Riordan, who has won millions of dollars from FedEx and Starbucks for violating Massachusetts labor laws, accuses Uber of misclassifying its drivers as independent contractors to avoid paying them the same as employees with benefits.

The case also charges that Uber does not give drivers the total proceeds they receive from gratuities and “retains a portion of the gratuity for itself.” That alleged conduct violates the Massachusetts Tips Law, said Liss-Riordan.

Launched four years ago in San Francisco, Uber makes a smart phone app that riders use to hail a private car service. It now operates in 38 countries and recently raised more than \$1.2 billion from investors.

But Liss-Riordan said Uber is at heart a transportation service whose drivers work for the company full time but are not treated as employees. The company does not disclose the total number of Uber drivers.

“It’s these so-called new technology companies that are using old school methods to keep their workers from having their rights under the law,” she said. “It’s the newest spin to avoid employee classification.”

Taylor Bennett, an Uber spokesman, said that while the company would not comment on the lawsuit, “I can tell you that Uber will vigorously defend the rights of riders to enjoy competition and choice, and for drivers to build their own small business.”

Liss-Riordan has filed a similar labor case against Uber in US District Court in California, where the company is based. The federal judge presiding in that case ordered Uber in May to allow its drivers to opt out of an arbitration clause in their contract with the company. That clause prevents drivers from joining Liss-Riordan’s class action lawsuit.

Massachusetts has some of the most stringent employment laws in the country. Under state law, for workers not to be considered as employees they must do work for a company that is “outside the usual course of business of the employer.”

“All we have to prove is that Uber is a car service and that the people who drive their cars are employees,” said Liss-Riordan. “Everyone who does the work should be an employee.”

Adored by techies, Uber has garnered plenty of enemies, too. Taxi companies and municipal officials around the US have accused the company of running an unlicensed car service and ignoring government rules put in place to protect riders.

One such lawsuit was filed last year against Uber by Boston Cab Dispatch, a local taxi operator. Ironically, Liss-Riordan has also sued Boston Cab for the same issue as her complaint against Uber -- that it is misidentifying drivers as contractors instead of employees.