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Amazon delivery drivers sue company over job status

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The complaint, filed in federal court in Seattle, was brought forth by the same attorney who led two class-action lawsuits against Uber by discontented drivers. These lawsuits yielded a proposed \$100 million settlement that's still fighting its way through the court system.



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Three drivers who have made deliveries on contract for Amazon.com are suing the company, saying they should be considered employees, not contractors.

Their case follows similar legal actions against tech firms relying on freelancers to carry the weight of a significant part of their operations.

The complaint, filed late Tuesday in U.S. District Court in Seattle, was brought forth by Shannon Liss-Riordan, the attorney who led two class-action lawsuits by discontented drivers against Uber. These suits yielded a proposed \$100 million settlement that was later blocked by the court.

In the Amazon lawsuit, the drivers allege the tech giant has violated federal labor laws by failing to ensure they earn the minimum wage after paying for gas and maintenance, and by not paying overtime. The lawsuit seeks class-action status.

The complaint underscores the conflicts brewing in the so-called "gig economy," in which independent contractors enabled by technology play a critical role but have fewer privileges than traditional full-time workers.

It also shows the challenges Amazon faces as it aggressively experiments in the field of logistics.

Amazon's rapid growth has strained its traditional logistics partners, and so has its quest to provide nearly immediate gratification to customers.

That has prompted Amazon to come up with new solutions for moving its goods around, ranging from a fleet of airplanes to toying with its own last-mile delivery network in several cities.

The lawsuit names both Amazon.com Inc. and Amazon Logistics, a program in which the retail juggernaut contracts with local delivery providers, from single drivers to companies with their own employees.

Amazon also contracts directly with individuals to provide deliveries through a service called Amazon Flex, an Uber-like program in which individuals sign up. All the drivers suing have worked for Amazon Flex, said Liss-Riordan.

Asked about the suit, Amazon said in a statement that with Amazon Flex "anyone can earn up to \$25 per hour by delivering packages when and where they want. We launched the program last year and feedback from Flex drivers has been very positive — they really enjoy being their own boss."

The complaint says the drivers had a direct contract relationship with Amazon. But it argues that instead of independent contractors, they are "actually employees" because they are highly supervised and were trained by the company on how to deal with customers.

Drivers must follow "Amazon's instructions regarding where to make deliveries, in what order, and which route to take," the complaint states.

These contractors can be fired at Amazon's discretion, and their services are "fully integrated into Amazon's business," making them indistinguishable from other employees.

"Amazon is yet another company that is saving on labor costs by hiring delivery drivers who perform the work that the company does and not calling them employees," Liss-Riordan said in an interview.

The plaintiffs are Bernadean Rittmann and Freddie Carroll, Amazon delivery drivers from Las Vegas who previously delivered for the company in Seattle.

Another plaintiff in a similar situation, Julia Wehmeyer, lives in Plano, Texas, and still delivers for Amazon there.

The plaintiffs say they take care of their own gas and car-maintenance expenses, which makes their wages fall below the federal, state and local minimum levels.

It's not the first lawsuit that claims Amazon is wrongly characterizing the status of these workers. Last year, four former delivery drivers for Prime Now sued the company in a similar complaint, according to news reports.

Uber, the ride-sharing company, settled two class-action lawsuits led by Liss-Riordan in April for \$84 million (plus an additional \$16 million if the company goes public and meets other milestones.)

Uber agreed to improvements in drivers' working conditions. At the same time, Uber CEO Travis Kalanick wrote <u>in a blog post</u> that the settlement recognized the drivers should "remain as independent contractors, not employees."

But a San Francisco judge rejected the agreement in August because it apparently underestimated the amount of penalties due to the state of California, <u>according to Bloomberg.</u>

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