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Cabbies Who Lost Licenses After Arrests Near $140 Million Settlement

New York City could grant payouts to some 20,000 taxi drivers whose professional licenses were summarily suspended without sufficient due process.

The settlement, part of a long-running class-action lawsuit, has the potential to be one of the largest in New York City's history, experts said. Credit...Yana Paskova for The New York Times

By Taylor Robinson

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Nearly 20,000 former and current New York City cabdrivers whose licenses were suspended after an arrest could receive as much as $140 million from the city because taxi regulators did not provide them a meaningful way to appeal the suspensions.

The payment, part of the settlement of a class-action lawsuit that was filed nearly two decades ago, could rank as one of the largest in the city's history, legal experts and city officials said, depending on how many drivers come forward to collect.

In a Manhattan courtroom on Wednesday, Judge Richard J. Sullivan of the U.S. Court of Appeals for the Second Circuit said he planned to approve a settlement payout from the city to qualifying taxi and ride-hail drivers who were arrested between 2003 and 2020 and then had their licenses suspended by the Taxi & Limousine Commission, the city agency that oversees the industry.

The city first unveiled the agreement with the cabdrivers in March, and Judge Sullivan issued a preliminary approval in May. The judge said on Wednesday that he agreed with the terms of the deal and that the matter of attorneys' fees will be finalized in the coming weeks.

The plaintiffs will be paid according to how long their licenses were suspended. Those who were unable to drive their cabs for a year or more could receive as much as $36,000 before lawyers' fees and other expenses, the claim said.

A spokesman for the taxi commission noted that it had amended its disciplinary practices in 2020, after the Second Circuit ruled that the commission's process for appealing suspensions was unconstitutional. Under the updated policy, the agency must consider whether a driver is "a direct and substantial threat to public health or safety" in considering whether a suspension should be lifted. The changes, the spokesman said, showed "the agency's commitment to protecting the rights and fair treatment of taxi drivers."

The class-action suit that prompted the payout was filed in 2006 and has been wending its way through appeals. Several drivers whose licenses were suspended, as well as the New York Taxi

Workers Alliance, a union that represents cabdrivers, brought the suit against the commission and the City of New York. The class later grew to include thousands of drivers.

During the time period covered in the suit, those who were arrested on criminal charges had their licenses suspended, no matter if "the arrest was in any way related to the taxi driver's work as a taxi driver," the suit said.

Drivers could request hearings to contest a suspension, but were rarely given sufficient opportunity to explain their arrests, the suit argued, and at hearings, no witnesses were called or evidence presented in defense.

"The T.L.C. hearings were such a joke," said Bhairavi Desai, the head of the Taxi Workers Alliance.

License suspensions were lifted only if a case was dismissed or the charges lowered, she said, leaving drivers floundering while they waited for their day in court.

"It felt very targeted against drivers," Ms. Desai said. "I just couldn't imagine other workers being treated this way."

Daniel Ackman, one of the lawyers for the plaintiffs, estimated that over 90 percent of the charges against drivers were dismissed or downgraded to minor infractions.

Since the commission changed its disciplinary policy, Mr. Ackman said, the percentage of drivers who have successfully appealed their suspensions has gone from "zero to almost 85 percent."

Parichay Barman had been a taxi driver for nearly 10 years when he was arrested after a fender-bender at LaGuardia Airport in 2017.

The commission suspended his license immediately, without a hearing, leaving him out of work and struggling to provide for his wife and two young children, he said. He was convicted of a

traffic offense and had to complete mandatory counseling and community service in order to return to work; he was unemployed for five months.

Mr. Barman, 60, said he had been forced to take out credit card loans and borrow money from relatives. Now, nearly 10 years later, he hopes to collect almost $30,000 for his ordeal, he said.

Ms. Desai said that in the years since the lawsuit was filed, some plaintiffs had retired, died or moved out of the country. In the event that some of the settlement money is not collected, a portion of it will go to the remaining plaintiffs and the rest will be returned to the city, according to the claim.

Shannon Liss-Riordan, another lawyer representing the drivers, said she was thrilled that they might finally receive compensation after 19 years of litigation.

“Taxi drivers who were arrested were just assumed to have done something so bad that their license should be taken away,” she said.

Taylor Robinson is a Times reporter covering the New York City metro area.