Nevada FedEx delivery drivers join nationwide class-action suit

by Bend_Weekly_News_Sources

LAS VEGAS - FedEx Ground/Home Delivery drivers in Nevada are becoming part of the nationwide, class-action lawsuit against the company alleging that for years it has intentionally misclassified its employees as independent contractors in a scheme allowing it to substantially reduce operating costs while boosting corporate profits at the expense of its drivers and the taxpaying public. The suit, which includes a count alleging violations of Nevada's False Claims Act provisions requiring accurate tax returns, is projected by FedEx as calling for more than $5 million in various reimbursements.

The Nevada case was originally filed in August, 2006 by attorney Andrew J. Kahn of McCracken, Stemerman & Holsberry, on behalf of a group of FedEx Ground/Home Delivery drivers in the state. FedEx has had approximately 50 drivers at a time within Nevada, but with turnover the number in the Nevada class is projected by FedEx at over 200 persons. They are now among the thousands nationwide represented in more than 40 lawsuits filed in over 30 states challenging the company's embattled independent contractor model. Nevada's suit is the latest to be consolidated into the federal class-action suit being litigated in U.S. District Court in South Bend, Indiana.

As in the other cases, the Nevada drivers are alleging that FedEx Ground/Home Delivery is in violation of applicable State and Federal laws by:

-- Misclassifying the drivers as independent contractors despite the fact it exercises all but complete control from their schedules of work, the type and appearance of truck they drive, even the color and style of uniform they wear.

-- Failing to provide them, as employees, with a host of benefits including sick pay, workers compensation insurance benefits, unemployment insurance, and family and medical leave benefits.

-- Barring them from working for any other delivery business, despite classifying them as independent contractors.

The Nevada lawsuit also claims FedEx is in violation of the state's False Claims Act by which, it alleges, the company "made false records and statements to conceal, avoid, and decrease their obligation to pay or transmit money" in the form of various taxes, including wage taxes.

The suit seeks reimbursement to the drivers of all their business expenses that should have been the responsibility of the company, including but not limited to employment taxes, unemployment compensation and workers compensation, and contributions to a retirement plan.

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