<u>Class-action lawsuit filed by fired Asian Uber driver claims the app's star</u> <u>rating system 'intentionally' discriminates against racial minorities</u>

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Body

- Thomas Liu, of San Diego, filed a federal lawsuit Monday saying he was deactivated from Uber in 2015 because his star rating dropped below 4.6
- He said customers canceled rides after being able to see his picture and asked him 'where he was from in an unfriendly way'
- The suit argues that Uber agrees that 'passengers discriminate against racial minorities,' citing the app's initial refusal to allow tipping for that very reason
- The star system makes Uber 'liable for intentional race discrimination,' suit says
- The federal suit estimates that 'likely hundreds, if not thousands' of non-white Uber drivers in the U.S. have been fired as a result of their star ratings

An Asian former Uber driver has accused the company of 'intentional discrimination' against racial minorities by relying on its five-star rating system to fire drivers.

Thomas Liu of San Diego filed a federal class-action lawsuit Monday alleging he was 'deactivated' as an Uber driver in 2015 when his rating from passengers dropped below 4.6.

'Uber is aware that passengers are prone to discriminate in their evaluation of drivers, but Uber has continued to use this system, thus making it liable for intentional race discrimination,' Liu's complaint reads.

Potential customers, he claims, would cancel rides after they were able to view his picture, and that they asked him 'where he was from in an unfriendly way.'

Liu says he is Asian and from Hawaii, and he speaks with a 'slight accent.'

The suit claims that Uber itself knows that when passengers rate drivers, they 'discriminate against racial minorities' - because that's the same argument the San Francisco-based company once employed to resist adding tipping to the app.

'Customer discrimination is not an excuse for employers to discriminate,' Liu's attorney, Shannon Liss-Riordan, told Fortune.

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Uber rolled out in-app tipping in 2017, six years after the ride-hailing service began.

The suit aims to represent a class of drivers with similar complaints. It estimates that 'likely hundreds, if not thousands' of non-white Uber drivers in the U.S. have been fired as a result of their star ratings.

The federal lawsuit was filed in California's Northern District under the 1964 Civil Rights Act, but that law's antidiscrimination protections applies only to workplace employees.

Uber has long held that its drivers are not employees but contractors.

The lawsuit argues that Uber treats its drivers not as independent contractors but as employees by holding them to specific quality standards, requiring training, and setting wages.

And driving passengers is the essential function of the company, it argues.

'Without drivers to provide rides for Uber's customers, Uber would not exist,' reads the suit.

Four years ago Liu brought the same claims to the U.S. Equal Employee Opportunity Commission, which in August declined to take a position on his complaint, Fortunereported. That enabled him to file a lawsuit in federal court.

Uber called the lawsuit 'flimsy' in a statement to Fortune. The company 'has greatly reduced bias for both drivers and riders, who now have fairer, more equitable access to work and transportation than ever before,' wrote company spokesperson Matt Kallman.

The lawsuit comes as California voters are deciding a state ballot initiative that would cement ride-hail drivers' status as independent contractors rather than employees.

If over half of voters approve it November 3, Proposition <u>22</u> would circumvent the protections of a law passed by the California legislature last year.

That law, AB 5, requires gig-economy companies like Uber, Lyft, and Doordash to extend its drivers and delivery workers the overtime protection, minimum wage, mileage reimbursement, and health benefits that employees receive.

If Proposition <u>22</u> passes, those workers would remain contractors, and Uber and other companies would pay its drivers minimum wage plus 20 percent, but only for the time when a driver is engaged in driving a customer.

Ditto for mileage reimbursement, which would be lower and limited to 'engaged' mileage under **Prop 22**.

A California appeals court last week upheld a lower court's decision that ride-app drivers are employees, and if Proposition 22 fails, the companies must abide by the ruling.

The gig-economy companies have raised about \$200 million to convince Californians to vote for the ballot initiative.

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