

# Tesla Workers Seek Green Light For Race Bias Class Action

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Black employees who say Tesla fostered racism at its Fremont, California, factory asked a Golden State judge to approve a class of at least 6,000 workers, arguing that racist language and graffiti were pervasive at the electric vehicle maker's facility.

In a **motion for class certification** Monday, the four current and former workers leading the Fair Employment and Housing Act suit said Tesla has known about the racist environment at its Fremont factory for years but failed to even train employees not to use the N-word until 2022. In addition to the four named plaintiffs, the motion is backed by sworn statements from 236 other Black workers who said the use of racist terms is common and that racist graffiti in bathrooms and other areas of the factory is unavoidable.

"Instead of taking steps to comply with its legal duty under FEHA to provide a work environment free from discrimination and harassment, Tesla has adopted, at best, an ad hoc approach to addressing racism that neglects and fails to correct the factory's racist culture," according to the motion. "Instead of preventing anti-Black racial harassment occurring across all areas of the Fremont factory production floor, Tesla has continuously condoned and ratified it, since before the class period began in 2016 and to this day."

Marcus Vaughn, a contract worker placed at the Fremont Tesla plant through a staffing agency, filed a complaint against the company in November 2017, claiming that its factory is a "hotbed for racist behavior" toward Black employees. Vaughn said he was terminated shortly after complaining internally for "not having a positive attitude."

In mid-2021, Vaughn added Monica Chatman, Evie Hall and Titus McCaleb as named plaintiffs. Chatman and Hall said they worked for Tesla as contractors before taking jobs as direct employees while McCaleb said he was assigned to Tesla by a staffing agency from October 2016 to June 2017.

Tesla tried and failed to push the suit into arbitration several times, including in June 2018, when **a California state judge found** that Vaughn never signed the employment contract that included the arbitration clause. A California state appeals panel said **in January** that Chatman and Hall also don't have to handle their claims out of court because their arbitration agreements don't cover anything that happened before August 2017, when the agreements were signed.

The workers said in the Monday motion that, in the years since they filed suit, Tesla has dealt with numerous other legal actions, media reports and internal complaints about racism at the Fremont factory and elsewhere, but none of that has led Tesla to sufficiently address the issue. This includes a **nearly \$137 million judgment** — later **reduced to \$3.2 million** — handed to a Black ex-subcontractor who was harassed and subjected to racial slurs while working at Tesla, according to the motion.

"Class litigation is the most appropriate way to challenge Tesla's failure to correct racism at the Fremont factory, which exists and should be remedied for Black workers at the factory generally," the workers said.

According to the motion, after an initial litigation phase that resolves classwide questions such as whether the work environment was objectively hostile, what policies Tesla had in place and whether relief is warranted, the court can hold individual hearings to determine what individual class members are entitled to. The workers said this structure is akin to the framework laid out by the U.S. Supreme Court in *Teamsters v. United States* in 1977.

"There is no reason for the court to address hundreds of individual N-word and swastika lawsuits involving Tesla, because the objectively severe or pervasive HWE harassment should be judged once, from the perspective 'of a reasonable person in the ... position' of a Black worker on the Fremont factory production floor," the workers said.

Vaughn, Chatman, McCaleb and Hall are seeking to certify a class of Black workers on the production floor of Tesla's Fremont factory who weren't subject to an arbitration agreement for the entirety of their employment beginning in November 2016. The ex-employees also proposed a subclass of workers who were placed at Tesla through staffing agencies in order to address the company's assertion that it wasn't actually the employer for those workers.

Bryan Schwartz, one of the plaintiffs' lead attorneys, said in a statement that the race harassment at Tesla's Fremont factory "is egregious and continuing," with Black workers still suffering.

"We cannot afford to wait, under these circumstances, when our theory of the case remains clear — that Tesla allowing widespread use of the N-word and other horrific racism is just not okay, period," Schwartz said.

Representatives of Tesla did not immediately respond to requests for comment.

Vaughn, Chatman, McCaleb and Hall are represented by Lawrence Organ and Marqui Hood of California Civil Rights Law Group, Bryan Schwartz, Jennifer Reisch and Jane Beasley Mackie of Bryan Schwartz Law PC and Matthew C. Helland of Nichols Kaster PLLP.

Tesla is represented by Christina T. Tellado and Sara A. Begley of Holland & Knight LLP.

The case is Vaughn et al. v. Tesla Inc. et al., case number RG17882082, in the Superior Court of the State of California, County of Alameda.

--Additional reporting by Braden Campbell and Amanda Ottaway. Editing by Emma Brauer.