

Tesla Found Guilty of Violating U.S. Labor Law by Muzzling Employees



Supervisors at a Tesla service center in Orlando, Florida, violated US labor law by preventing workers from discussing pay and other working conditions and making complaints to higher-level managers, according to a ruling issued on Tuesday by National Labor Relations Board (NLRB) Administrative Law Judge Michael Rosas. The judge found that the company illegally silenced employees in 2021 after some complained that new hires were receiving higher pay than existing workers. The decision is the latest in a series of losses for Tesla before the labor board as the company faces lawsuits alleging widespread race and sex discrimination at its assembly plants.

According to the ruling, several workers at the Orlando repair shop became aware in late 2021 that new hires were being paid more than existing staff. A technician who complained to a Tesla vice president about the disparity had his complaint forwarded to the head of human resources. However, supervisors at the service center then held a meeting where they told employees not to discuss their pay or other working conditions or to file complaints with higher-level managers. The technician who had complained was subsequently fired.

The technician filed a complaint against Tesla with the NLRB last year, leading to Tuesday's ruling. The judge ordered Tesla to stop violating workers' rights, post notice of the violations in the service center, and email it to employees.

Tesla had argued that it had quickly repudiated the managers' comments by posting a notice in the service center that company policy allowed workers to discuss their pay. However, the judge said that attempting to silence employees violated their fundamental right under US labor law to band together to advocate for better working conditions.

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The decision came about a month after a US appeals court upheld an NLRB ruling that Tesla CEO Elon Musk broke the law by tweeting that employees would lose stock options if they joined a union. The company is also appealing an NLRB decision that said it unlawfully barred factory workers from wearing union t-shirts.

Tesla has denied wrongdoing in the race discrimination and sexual harassment lawsuits it is currently facing. Most of these cases involve its flagship assembly plant in Fremont, California.

Tesla's legal struggles have not stopped the company from making significant strides in the electric vehicle market. In 2021, the company delivered over 936,000 electric vehicles, surpassing its previous record of 499,550 vehicles delivered in 2020. The company's success has been driven in part by the popularity of its Model 3 and Model Y vehicles, which have become two of the best-selling electric cars in the world.

Tesla's success has also drawn criticism from some quarters, with some analysts and activists arguing that the company's success is partly due to government subsidies and tax breaks. Others have accused the company of mistreating workers and failing to live up to its promises regarding workplace safety and fair labor practices.

Tesla has been the subject of several high-profile controversies in recent years, including a fatal crash involving one of its self-driving cars in 2016 and Musk's tweet about taking the company private in 2018, which led to lawsuits from shareholders and regulators. Despite these challenges, the company has continued to grow and expand, with plans to build new factories in Texas and Germany and to launch several new electric vehicles in the coming years.