

16 November 2012 | By David Rogers

Employees treated with “wanton disregard”, claim alleges

A former RMJM manager has begun legal action against the firm alleging it broke US employment laws against “hundreds” of its employees.

The claims are contained in a 34 page document filed at a New York court a week ago by Dana Byrne who worked three years as a human resources manager before leaving last December.

Byrne has agreed to the action “on behalf of herself and on behalf of all other similarly-situated employees in the US who were/are employed by the defendants”.

Chief executive Peter Morrison (pictured) is one of three RMJM executives named as a defendant in the claim which has been lodged at the US District Court Southern District of New York. The others are commercial director Declan Thompson and Morrison’s brother in law Richard Bailes who was in charge of the New York office but who is now working in London.

Also accused are RMJM Inc, RMJM Group Inc, RMJM Hillier Group Inc and RMJM Hillier Worldwide Inc.

In law a claim involving multiple people is known as a class action and Byrne’s claim says at least 75 people have been affected like her including a group known as the New York Common Law Class. “Maintenance of a class action promotes judicial economy by consolidating a large class of plaintiffs litigating identical claims,” the claim adds.

Byrne accuses the defendants of “numerous unlawful employment practices that have resulted in substantial damage to Plaintiff [Dana Byrne] and hundreds of other employees.

“Defendants have intentionally withheld, and continue to withhold earned wages, and wage supplements (including but not limited to group term life insurance) from its employees.

“Not only have wages and wage supplements been intentionally withheld from employees, but even when such wages have been paid, they have been, and are, frequently paid days, weeks or even months later than required by law. Defendants have withheld, and continue to withhold, the remaining wages due at separation.”

The claim adds the defendants did not pay the premiums for its employees’ group life insurance meaning that the policy lapsed and was cancelled for non-payment.

“Defendants did not notify their employees of the lapse in payment or the cancellation of the policy. As a result, employees lost their life insurance policy without their knowledge and were unable to convert their group term life insurance to an individual policy before cancellation. Defendants failed to pay the premiums for other wage supplements as well.”

Byrne also alleges that even though her wages were late “defendants still provided her with false, misleading and inaccurate bi-weekly wage statements as though wage payments had actually been made in the proper manner”.

And she accuses the defendants of “unlawful filing of fraudulent information returns with the Internal Revenue Service” which meant she “suffered increased tax liability”.

She also claims the defendants “fraudulently concealed” the non-payment of life insurance premiums and the cancellation of the policy. “Defendants knowingly, or with a wilful, wanton and reckless disregard for [Byrne] and New York Common Law Class concealed this material knowledge and information,” it adds. “Defendants’ material omissions of fact were intended to deceive and defraud [Byrne] and New York Common Law Class to continue to work for defendants.”

The claim demands punitive and liquidated damages and that the defendants hand over postal addresses, telephone numbers and email contacts for all current and former employees during the relevant period so they can be given “notice of this action and opportunity to make an informed decision about whether to participate in it”.

Judge Kevin Castel has been asked to rule on whether the civil case should be heard by a jury or not.

In March this year, Morrison apologised for wages not being paid on time. In an email to staff, he added the problems “will have left many scars and for that I am very sorry”.

RMJM declined to comment.