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County of Alameda

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SUPERIOR COURT OF CALIFORNIA

COUNTY OF ALAMEDA

CONRAD RELOJ, on behalf of the State of
California and Aggrieved Employees,

Plaintiff,

vs.

GOVERNMENT EMPLOYEES INSURANCE
COMPANY INC. d/b/a GEICO,

Defendant.

Case No. **21CV003563**

**COMPLAINT FOR PENALTIES
PURSUANT TO SECTIONS 2699(a)
and (f) OF THE CALIFORNIA
PRIVATE ATTORNEYS GENERAL
ACT**

Plaintiff Conrad Relej ("Plaintiff"), on behalf of the State of California and Aggrieved Employees, complains and alleges as follows:

INTRODUCTION

1. Plaintiff brings this enforcement action against Defendant Government Employees Insurance Company ("Defendant" or "GEICO") on behalf of individuals who work or worked for GEICO as Auto Claim and/or Damage Adjusters ("Adjusters"), including similar roles with different titles, and have been subject to Defendant's policies and practices alleged herein (the "Aggrieved Employees"). Throughout the relevant time period, Plaintiff and Aggrieved

1 Employees have been denied for payment for all hours worked, including overtime, and did not
2 receive compliant meal or rest breaks. This case implicates Defendant's longstanding policies
3 and practices, which fail to properly compensate Adjusters for work performed "off-the-clock."

4 2. Defendant's conduct violates the Labor Code by knowingly and willfully requiring
5 Plaintiff and Aggrieved Employees to perform work and/or remain on duty for the benefit of the
6 Defendant while off-the-clock. Plaintiff and Aggrieved Employees bring these claims to
7 challenge Defendant's policies and practices of: (1) failing to pay non-exempt, hourly employees
8 who work as Adjusters for all hours worked; (2) failing to pay required minimum wage; (3)
9 failing to pay required overtime wages; (4) failing to authorize, permit, and/or make meal and
10 rest periods available, and failing to pay premium pay for these missed breaks; (5) failing to
11 provide accurate, itemized wage statements; and (6) failing to pay all wages after termination of
12 employment.

13 3. Plaintiff files this action to recover all penalties, and other damages on behalf of
14 himself and Aggrieved Employees. Plaintiff seeks to remedy the sweeping practices Defendant
15 has integrated into its time tracking and payroll.
16

17 **PARTIES**

18 4. Plaintiff Conrad Relej is an individual over the age of eighteen, and at all times
19 relevant to this Complaint has been a resident of the State of California. Plaintiff was employed
20 by GEICO from 1999 until December 2020 and worked for GEICO as an Adjuster in San Diego,
21 California during the relevant period.

22 5. Plaintiff is informed, believes, and thereon alleges that Defendant GEICO is a
23 Maryland corporation. On information and belief, Defendant is a wholly owned subsidiary of
24 Berkshire Hathaway, Inc., and its headquarters are located at 5260 Western Avenue, Chevy
25 Chase, Maryland, 20815. Defendant does business throughout the United States and maintains
26 18 regional offices which include offices in San Diego, California, in addition to its
27 headquarters in Chevy Chase, Maryland.
28

1 6. Plaintiff is informed, believes, and thereon alleges that Defendant directly controls
2 the operations of its agents, managers, and employees throughout its locations and operations in
3 California.

4 7. At all material times, Defendant has done business under the laws of California,
5 has places of business in the State of California, including this County, and has employed
6 Aggrieved Employees in this County and elsewhere in California. Defendant is a “person[s]”
7 as defined in Labor Code § 18, and an “employer[s]” as that term is used in the Labor Code
8 and the IWC Wage Orders regulating wages, hours, and working conditions.

9 8. Upon information and belief, Defendant employs Aggrieved Employees, because
10 Defendant, directly or indirectly, controls the employment terms, pay practices, timekeeping
11 practices, and daily work of Plaintiff and Aggrieved Employees.

12 **SUBJECT MATTER JURISDICTION AND VENUE**

13 9. This Court has jurisdiction over Plaintiff’s claims for penalties pursuant to the
14 Private Attorneys General Act (“PAGA”). The Court also has jurisdiction over Defendant
15 because Defendant does business in the State of California, is authorized to do business in
16 California, and is registered with the California Secretary of State.

17 10. Defendant operates multiple locations and employs Aggrieved Employees in
18 California.

19 11. Venue is proper in this County pursuant to Code of Civil Procedure § 393.
20 Defendant conducts business, employs Aggrieved Employees, and/or has jobsites in this
21 County. Plaintiff is informed, believes, and thereon alleges that events giving rise to these
22 causes of action occurred in this County, and some part of these causes of action arose in this
23 County.

24 **FACTUAL ALLEGATIONS**

25 12. Defendant is in the business of providing vehicle insurance, property insurance,
26 and business insurance. Defendant operates in all fifty states, including California.
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1 13. Plaintiff was employed by GEICO from 1999 until December 2020. During the
2 relevant period, Plaintiff worked for GEICO as an Adjuster in San Diego, California.

3 14. Plaintiff and Aggrieved Employees are current or former non-exempt, hourly
4 employees who work, or have worked, for Defendant as Adjusters.

5 15. The duties of Adjusters, including Plaintiff, include but are not limited to
6 processing insurance claims, calling customers, inspecting vehicles for collision and
7 comprehensive damages, maintaining and managing accurate funds for the issuance of claim
8 payments, submitting reports online in real time, and driving to customer homes or working in
9 auto body shops to assess vehicle damage.

10 16. As Adjusters, Plaintiff and Aggrieved Employees are expected to meet GEICO's
11 required quota of processing or working on a certain number of claims or inspections and/or
12 answering a certain number of customer calls within a given period. Plaintiff is informed,
13 believes, and thereon alleges that the policies and practices of Defendant have at all relevant
14 times been similar for Plaintiff and the Aggrieved Employees, regardless of location in
15 California.

16 17. While working for Defendant, Plaintiff and Aggrieved Employees are scheduled
17 to work approximately seven hours and 45 minutes per day, five days per week, for a total of
18 approximately 38.75 hours per week. Plaintiff and Aggrieved Employees work these scheduled
19 hours. However, Plaintiff and Aggrieved Employees are regularly required by GEICO
20 management to work additional hours beyond this scheduled time while off-the-clock and
21 without receiving compensation. Plaintiff and Aggrieved Employees typically work eight and a
22 half to ten hours per day to fulfill the required workload and do not receive pay for all time
23 worked. For numerous workweeks during their employment by GEICO, Plaintiff and Aggrieved
24 Employees worked off-the-clock and without compensation during overtime hours (more than 8
25 hours a day in California).

1 18. GEICO disincentivizes Plaintiff and Aggrieved Employees from reporting this
2 off-the-clock or unrecorded time because reporting such time would negatively impact Plaintiff
3 and Aggrieved Employees' productivity metrics ("Core Metrics"), customer surveys, and/or
4 evaluations. If an employee does not meet the required quota of claims, inspections and/or
5 customer calls, the consequence is being written up or placed on probation or reduced
6 performance metric scores causing negative ramifications for pay increases and promotion
7 opportunities.

8 19. In some instances, Plaintiff and Aggrieved Employees begin the workday one
9 hour prior to the start of their paid scheduled shifts to perform work activities which include,
10 among other tasks, handling claims and calling customers and repair shops. This time worked is
11 unpaid. Moreover, under Defendant's company-wide practice, Defendant requires Plaintiff and
12 Aggrieved Employees to log into Defendant's online system to submit claims and other
13 documentation in real time. Therefore, Defendant knows or should know that work is being
14 performed on its online system without compensation.

15 20. Plaintiff and Aggrieved Employees continue working after their shift ends to
16 complete tasks including, but not limited to, submitting paperwork and claims, and following up
17 on customer calls. These tasks are completed while being logged into Defendant's online system
18 and are tracked in real time. Plaintiff and Aggrieved Employees are not compensated for this
19 time that Defendant requires, suffers, and/or permits them to work.

20 21. Defendant also requires Plaintiff and Aggrieved Employees to work off-the-clock
21 to attend meetings, outside of their scheduled shifts and without pay.

22 22. Plaintiff and Aggrieved Employees travel to semi-annual conference meetings.
23 Travel time as well as the time spent at the conference meetings is also unpaid.

24 23. In addition to claims and/or inspections quotas, Defendant utilizes a performance
25 rating system that tracks volume, efficiency, and customer satisfaction in answering customer
26 phone calls. As a result, Plaintiff and Aggrieved Employees take customer calls before, during,
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1 and after scheduled shifts and must be available during their unpaid meal breaks as a means of
2 keeping their performance metrics and customer satisfaction survey ratings high.

3 24. All of this time that Defendant requires Plaintiff and Aggrieved Employees to
4 work without compensation deprives them of substantial amounts of pay to which they are
5 entitled under California law, including overtime premium pay for hours worked in excess of 8
6 in a workday or 40 in a workweek.

7 25. Moreover, Defendant routinely denies timely and compliant off-duty meal and
8 rest periods for two primary reasons: (1) Defendant does not authorize, permit, and/or make
9 available timely meal and rest breaks for Plaintiff and Aggrieved Employees; and (2) Defendant
10 knows or has reason to know that Plaintiff and Aggrieved Employees are too busy with work
11 during the day to have time to take bona fide meal and rest breaks.

12 26. For example, Plaintiff and Aggrieved Employees are allocated a 30 to 45-minute
13 meal break to be taken at no specific time during a shift. But, due to Defendant's required
14 workload and quotas, Plaintiff and Aggrieved Employees are often unable to take such breaks at
15 all. Even when they do receive some form of meal break, Plaintiff and Aggrieved Employees are
16 often interrupted to perform work, answer customer calls, or travel to the next assigned claim,
17 even though they are off-the-clock in Defendant's timekeeping records. As a result, Plaintiff and
18 Aggrieved Employees regularly work through unpaid time that is allocated for a meal break.
19 Defendant knows or should know about such uncompensated work performed during unpaid
20 meal breaks.

21 27. In addition, on information and belief, Defendant and its managers routinely
22 manipulate the timecards of these employees to make it appear that they took a timely and
23 compliant meal break in order to avoid paying additional wages and penalties.

24 28. Plaintiff and Aggrieved Employees are routinely denied full, timely, and
25 uninterrupted rest periods as well. While Defendant denies compliant meal periods to Adjusters
26 on most workdays, it virtually never provides compliant rest periods for the same reasons.
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29. When Plaintiff and Aggrieved Employees experience untimely or interrupted meal and rest breaks, or do not receive these breaks at all, Defendant fails to pay them the required premium pay.

30. Defendant does not provide Plaintiff and Aggrieved Employees with accurate wage statements as required by California law. These workers receive wage statements that do not reflect all hours worked, premium pay for missed meal and rest breaks, and applicable overtime premiums.

31. Defendant does not provide Plaintiff and Aggrieved Employees with full payment of all wages owed at the end of employment. These workers are owed wages and premium pay for all time worked, overtime, and missed meal and rest breaks when their employment ends. These amounts remain unpaid after voluntary and involuntary termination. As a consequence, Defendant is subject to waiting time penalties under the California Labor Code.

32. Plaintiff is informed, believes, and thereon alleges that Defendant's unlawful conduct has been widespread, repeated, and consistent as to the Aggrieved Employees and throughout Defendant's operations in California.

33. Defendant's conduct has been knowing, willful, and carried out in bad faith, and has caused significant damages to Plaintiff and Aggrieved Employees in an amount to be determined at trial. Defendant did not take requisite steps to ensure that Plaintiff and Aggrieved Employees were paid for all time worked. Upon information and belief, Defendant did not conduct any study or audit of its compensation practices to ensure that Plaintiff and Aggrieved Employees did not perform work without compensation during any breaks.

FIRST CAUSE OF ACTION
Penalties Pursuant to § 2699(a) of the Private Attorneys General Act

34. Plaintiff re-alleges and incorporates the foregoing paragraphs as though fully set forth herein.

35. Labor Code § 2699(a) provides:

Notwithstanding any other provision of law, any provision of this code that

1 provides for a civil penalty to be assessed and collected by the Labor and
2 Workforce Development Agency or any of its departments, divisions,
3 commissions, boards, agencies or employees, for a violation of this code,
4 may, as an alternative, be recovered through a civil action brought by an
aggrieved employee on behalf of himself or herself and other current or
former employees.

5 36. Labor Code Labor Code § 203 provides, in relevant part:

6 If an employer willfully fails to pay, without abatement or reduction, in
7 accordance with Sections 201, 201.5, 202, and 205.5, any wages of an
8 employee who is discharged or who quits, the wages of the employee shall
9 continue as a penalty from the due date thereof at the same rate until paid
or until an action therefore is commenced; but the wages shall not continue
for more than 30 days.

10 37. Labor Code § 226(a) provides:

11 An employer, semimonthly or at the time of each payment of wages, shall
12 furnish to his or her employees, either as a detachable part of the check,
13 draft, or voucher paying the employee's wages, or separately if wages are
14 paid by personal check or cash, an accurate itemized statement in writing
15 showing (1) gross wages earned, (2) total hours worked by the employee,
16 except as provided in subdivision (j), (3) the number of piece-rate units
17 earned and any applicable piece rate if the employee is paid on a piece-rate
18 basis, (4) all deductions, provided that all deductions made on written orders
19 of the employee may be aggregated and shown as one item, (5) net wages
20 earned, (6) the inclusive dates of the period for which the employee is paid,
21 (7) the name of the employee and only the last four digits of his or her social
22 security number or an employee identification number other than a social
23 security number, (8) the name and address of the legal entity that is the
24 employer, and (9) all applicable hourly rates in effect during the pay period
25 and the corresponding number of hours worked at each hourly rate by the
26 employee...

27 38. Plaintiff seeks civil penalties pursuant to Labor Code § 2699(a) for each failure by
28 Defendant, as alleged above, to timely pay all wages owed to Plaintiff and other Aggrieved
Employees in compliance with Labor Code §§ 201-202 in the amounts established by Labor Code
§ 203. Plaintiff seeks such penalties as an alternative to the penalties available under Labor Code
§ 203, as prayed for herein.

39. Plaintiff also seeks civil penalties pursuant to Labor Code § 2699(a) for each
failure by Defendant, alleged above, to provide Plaintiff and other Aggrieved Employees an

1 accurate, itemized wage statement in compliance with Labor Code § 226(a) in the amounts
2 established by Labor Code § 226(e). Plaintiff seeks such penalties as an alternative to the penalties
3 available under Labor Code § 226(e), as prayed for herein.

4 40. Labor Code § 256 provides: “The Labor Commissioner shall impose a civil
5 penalty in an amount not exceeding 30 days pay as waiting time under the terms of Section 203.”

6 41. Plaintiff also seeks civil penalties pursuant to Sections 226.3 and 256 of the
7 California Labor Code.

8 42. Pursuant to Labor Code § 2699.3(a)(1) and (2), Plaintiff provided the Labor and
9 Workforce Development Agency (“LWDA”) with notice of his intentions to file this claim. Sixty-
10 five calendar days have passed without notice from the LWDA. Plaintiff satisfied the
11 administrative prerequisites to commence this civil action in compliance with § 2699.3(a).

12 43. Plaintiff seeks the aforementioned penalties on behalf of the State, other
13 Aggrieved Employees, and himself as set forth in Labor Code § 2699(g)(i).

14 44. Defendant is liable to Plaintiff, other Aggrieved Employees, and the State of
15 California for the civil penalties set forth in this Complaint, with interest thereon. Plaintiff is also
16 entitled to an award of attorneys’ fees and costs as set forth below.

17 45. Wherefore, Plaintiff requests relief as hereinafter provided.

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19 **SECOND CAUSE OF ACTION**

20 **Penalties Pursuant to § 2699(f) of the Private Attorneys General Act**

21 46. Plaintiff re-alleges and incorporates the foregoing paragraphs as though fully set
22 forth herein.

23 47. Labor Code § 2699(f) provides:

24 For all provisions of this code except those for which a civil penalty is
25 specifically provided, there is established a civil penalty for a violation of
26 these provisions, as follows: . . . (2) If, at the time of the alleged violation,
27 the person employs one or more employees, the civil penalty is one hundred
28 dollars (\$100) for each aggrieved employee per pay period for the initial
violation and two hundred dollars (\$200) for each aggrieved employee per
pay period for each subsequent violation.

1 48. Labor Code § 510(a) provides:

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3 Eight hours of labor constitutes a day's work. Any work in excess of eight
4 hours in one workday and any work in excess of 40 hours in any one
5 workweek and the first eight hours worked on the seventh day of work in
6 any one workweek shall be compensated at the rate of no less than one and
7 one-half times the regular rate of pay for an employee. Any work in excess
8 of 12 hours in one day shall be compensated at the rate of no less than twice
9 the regular rate of pay for an employee.

10 49. Labor Code § 512(a) provides:

11 An employer shall not employ an employee for a work period of more than
12 five hours per day without providing the employee with a meal period of
13 not less than 30 minutes, except that if the total work period per day of the
14 employee is no more than six hours, the meal period may be waived by
15 mutual consent of both the employer and employee. An employer shall not
16 employ an employee for a work period of more than 10 hours per day
17 without providing the employee with a second meal period of not less than
18 30 minutes, except that if the total hours worked is no more than 12 hours,
19 the second meal period may be waived by mutual consent of the employer
20 and the employee only if the first meal period was not waived.

21 50. Plaintiff seeks civil penalties pursuant to Labor Code § 2699(f) for each violation
22 of Labor Code § 510, alleged above, as well as any provision regulating hours and days of work
23 in any order of the IWC.

24 51. Plaintiff also seeks civil penalties pursuant to Labor Code § 2699(f) for each
25 failure by Defendant, alleged above, to provide Plaintiff and other Aggrieved Employees
26 compliant meal and rest periods in compliance with Labor Code § 512.

27 52. Plaintiff further seeks civil penalties pursuant to Labor Code § 2802 for each
28 failure by Defendant, alleged above, to reimburse and indemnify Plaintiff and Aggrieved
Employees for all necessary expenditures and losses by Plaintiff and Aggrieved Employees in
direct consequence of the discharge of their duties.

 53. To the extent that any other violation alleged herein does not carry penalties under
Labor Code § 2699(a), Plaintiff seeks civil penalties pursuant to Labor Code § 2699(f) for
Plaintiff and other Aggrieved Employees for each pay period in which he or she was aggrieved,

1 in the amounts established by Labor Code § 2699(f).

2 54. Pursuant to Labor Code § 2699.3(a)(1) and (2), Plaintiff has provided the LWDA
3 with notice of his intention to file this claim. Sixty-five calendar days have passed without notice
4 from the LWDA. Plaintiff satisfied the administrative prerequisites to commence this civil action
5 in compliance with § 2699.3(a).

6 55. Plaintiff seeks the aforementioned penalties on behalf of the State, other
7 Aggrieved Employees, and himself as set forth in Labor Code § 2699(g)(i).

8 56. Defendant is liable to Plaintiff, other Aggrieved Employees, and the State of
9 California for the civil penalties set forth in this Complaint, with interest thereon. Plaintiff is also
10 entitled to an award of attorneys' fees and costs as set forth below.

11 57. Wherefore, Plaintiff requests relief as hereinafter provided.

12 **PRAYER FOR RELIEF**

13 WHEREFORE, Plaintiff prays for relief as follows:

- 14 1. For the Court to declare, adjudge, and decree that Defendant has violated the
15 California Labor Code as alleged herein;
- 16 2. For an order awarding the State of California, Plaintiff, and Aggrieved
17 Employees civil penalties provided under the PAGA;
- 18 3. For an award of reasonable attorneys' fees as provided by the California Labor
19 Code § 2699(g)(1); California Code of Civil Procedure §1021.5; and/or any other
20 applicable law;
- 21 4. For interest on penalties awarded as provided by applicable law;
- 22 5. For all costs of suit; and
- 23 6. For such other and further relief as this Court deems just and proper.
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Dated: December 2, 2021

Respectfully submitted,



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