

DAILY REPORT

Pioneering Ga. Verdict Signals Shift in Gig-Economy Litigation and Corporate Accountability

By Joe Fried and Michael Goldberg

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In a precedent-setting case in Georgia, the legal team at Fried Goldberg secured one of the first verdicts in the United States holding a major corporation accountable for the negligent actions of workers classified as independent contractors. This case, involving a child injured by an Amazon-contracted delivery driver, focused on how businesses use technology to direct and control the time, method, and manner of work performed by contractors. With similar cases emerging across the nation, companies relying on independent contractors will need to reassess their operations and legal risks.

The core issue in this case was whether Amazon could be held liable for the negligence of a driver working for a third-party delivery service. Amazon argued that it wasn't the driver's employer and should not be responsible for their conduct. However, during the trial, the extent of control Amazon exerted over the driver's work was revealed. Jurors learned that Amazon, through its app and digital tools, dictated the driver's



Joseph Aaron Fried (left) and Michael L. Goldberg of Fried Goldberg.

(Courtesy photos)

routes, schedules and delivery methods. The jury found that this digital “control” was equivalent to the control typically exerted by employers, making Amazon liable under agency law.

Significantly, the jury also found Amazon responsible for failing to properly train the driver, further compounding their liability. This verdict has profound ramifications for gig-economy businesses that claim workers are independent while simultaneously directing nearly every aspect of their work through

technology. Companies cannot rely on the independent contractor label when they exert this level of digital control.

A New Legal Landscape: Accountability in the Gig Economy

This Georgia case underscores how the legal concept of control is evolving and expanding in response to the gig economy's use of technology. Historically, control over workers was exercised by human supervisors, making it easier to distinguish between employees and independent contractors. However, in today's gig economy, businesses use apps and digital platforms to monitor and direct workers, creating a new form of control that didn't exist when labor laws were originally developed.

In this case, traditional agency law—which holds a company responsible if it controls the time, method and manner of a worker's performance—was applied in a modern context. Amazon's use of technology to manage delivery drivers illustrates how companies can exercise substantial influence without direct human oversight. The jurors' decision reflects the modern reality that control through technology carries the same weight as traditional, human-directed supervision. This shift should prompt gig-economy businesses to rethink their labor practices and legal strategies.

How Technology Drives Control

The argument in court focused on the extensive control Amazon exerted over its third-party delivery services through technology. Amazon dictated how drivers were trained, the

routes they took, the timing of deliveries, and even how drivers were paid, all through digital tools. Just about every aspect of the job is controlled by Amazon. The jury found that this level of technological control was sufficient to classify Amazon as a dual employer, making it responsible for the driver's negligence and lack of proper training.

This new approach—where businesses control workers via technology—sets a legal precedent for other companies that rely on independent contractors but use apps and digital systems to direct their actions. Courts may increasingly determine that digital control is no different from traditional employer oversight, signaling a significant risk for companies operating in the gig economy.

Ramifications for Future Litigation

This verdict is expected to trigger more litigation against companies using contractor-based models, especially in industries like logistics, delivery, and rideshare services. As more plaintiffs bring claims, juries may increasingly hold companies accountable when evidence shows they control workers through technology.

Corporations that exert significant control over contractors using technology must reconsider labeling these workers as independent contractors. Continuing to do so may expose them to significant financial risks, including large verdicts in personal injury and wrongful death cases. Instead, companies should recognize the reality of their control and build a safety culture around these workers to protect both their businesses and the public.

For instance, the trucking and transportation industry, where many drivers are classified as independent contractors, carries high risks due to the potential for catastrophic injuries. Companies that fail to take responsibility for safety and maintain oversight of contractor networks will face growing legal challenges. Courts are becoming less tolerant of structures that outsource accountability while maintaining control through digital oversight.

Implications for the Gig Economy

The gig economy, built on a contractor-based workforce, will be deeply affected by cases like this. Companies that rely on independent contractors to deliver goods and services must adapt quickly to avoid legal pitfalls. The widespread use of independent contractors in the gig economy has long been viewed as a way to cut costs while retaining flexibility and control. However, this control—when exerted through technology—may now carry significant liability.

The Georgia verdict, along with similar rulings across the United States, makes it harder for businesses to claim immunity from contractors' actions when they control the time, method, and manner of work through digital means. The gig economy is likely to see a wave of legal adjustments, hopefully with companies implementing more robust safety and compliance measures to reduce their legal exposure. Companies that fail to evolve could face a barrage of litigation, potentially jeopardizing their business models.

Moving Forward: A New Era of Corporate Liability

This verdict marks the beginning of a new era of corporate accountability, where companies must take responsibility for the actions of those who work on their behalf, particularly when using technology to control workers. Businesses can no longer hide behind the independent contractor model if they exert substantial digital control over how work is performed. As the legal landscape evolves, companies will increasingly be held accountable for their actions, no matter how complex their organizational structures may be.

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