

Court Grants Final Approval of Settlement in Class Action Lawsuit Reining In NYC Transit Authority's Unfair Collection Practices

FOR IMMEDIATE RELEASE: November 2, 2023

CONTACT:

Susan Shin, Legal Director, New Economy Project | susan@neweconomy NYC.org

Patrick Fowler, Communications Strategist, NCLEJ | fowler@nclej.org

Claudia Wilner, Director of Litigation and Advocacy, NCLEJ | wilner@nclej.org

NEW YORK – A federal court granted final approval of a [settlement in a class action lawsuit](#) charging the New York City Transit Authority (NYCTA), an arm of the Metropolitan Transportation Authority (MTA), with aggressively going after thousands of New Yorkers for alleged debts in violation of their constitutional due process rights.

Under the settlement, the NYCTA will improve notice and disclosure and provide free or reduced-cost access to crucial information so that New Yorkers—including homeless New Yorkers, people of color, and others disproportionately targeted for transit infractions—can meaningfully assert their rights.

You can read the basic terms of the final settlement [here](#).

Filed in February 2019 in the Southern District of New York by [New Economy Project](#), the [National Center for Law and Economic Justice](#), [Faegre Drinker Biddle & Reath LLP](#), and the Law Offices of Gerald S. Hartman, the lawsuit challenges the NYCTA's seizures of New Yorkers' state tax refunds to collect on default judgments for alleged transit rule violations—some going back 20 years or more—without legally-required notice or opportunity to review even minimal documentation about the alleged violations. A federal judge [certified the class action](#) in October 2020.

Under the agency's prior procedures, New Yorkers often could not obtain copies of any ticket they had allegedly received, called a Notice of Violation, or related documents concerning the alleged transit rule violations. The agency also concealed its criteria for undoing, or vacating, default judgments, leaving New Yorkers in the dark as to what information they needed to meaningfully challenge a default judgment or tax refund seizure. The settlement will significantly enhance fairness and due process at the agency by making such documents and information readily available to New Yorkers.

"My rights were violated when the MTA took away my tax refunds without giving me a chance to defend myself," **said David Evans, a disabled Marine Corps veteran and named plaintiff in the lawsuit.** "This settlement will prevent them from doing this to other New Yorkers."

"The MTA's unjust debt collection system has long exploited low-income New Yorkers and reinforced the racial impact of discriminatory policing in low-income Black and brown neighborhoods," **said Susan Shin, Legal Director at New Economy Project.** "This hard-fought settlement agreement will restore their basic due process rights and should be seen as a critical first step in the fight to end the MTA's predatory debt collection practices."

"This lawsuit was about holding the MTA accountable for their due process violations against low-income people, people of color, and people experiencing homelessness," said **Claudia Wilner, Litigation and Advocacy Director at the National Center for Law and Economic Justice**. "We're committed to fighting back against punitive debt collection practices that destroy lives and rob communities of their ability to thrive."

Under the final settlement, the NYCTA has agreed to:

- Post information prominently at its Transit Adjudication Bureau (TAB) office and online on how to request a copy of a Notice of Violation (NOV) in one's name, along with related information.
- Provide certain information, including an NOV Status Letter and a Payment Status Letter, upon request and without charge, and continue its policy, adopted during the litigation, of charging no more than \$1 per copy of an NOV (reduced from \$10 per copy).
- Publish a complete list of its "good cause" criteria for vacating default judgments and update its guidance to its hearing officers on what constitutes good cause for vacating default judgments.
- Cease enforcement of a default judgment, vacate the default judgment, and dismiss the underlying NOV if TAB is unable to locate the NOV within 60 days of a request for a copy.

New Economy Project works with community groups to build a new economy that works for all, rooted in racial and social justice, cooperation, neighborhood equity, and ecological sustainability. New Economy Project's work focuses on campaigns to challenge corporations that harm communities and perpetuate inequality and poverty, and on efforts to build strong local economies, by fostering democratically structured, community-controlled initiatives such as worker cooperatives, community development credit unions, community land trusts, and mutual housing.

The **National Center for Law and Economic Justice** advances racial and economic justice for low-income families, individuals, and communities across the country through ground-breaking impact litigation, policy advocacy, and support for grassroots organizing. Founded in 1965, NCLEJ protects access to critical benefits like food stamps, Medicaid, and childcare, empowers low-wage workers, advocates for people with disabilities, and fights unlawful debt collection.

###