

Lawsuit says Musk's Tesla hires visa holders instead of Americans so it can pay less

- Tesla faces a lawsuit alleging a "systematic preference" for hiring visa holders over U.S. citizens to reduce labour costs, termed "wage theft."
- Scott Taub and Sofia Brander claim Tesla refused them jobs due to their U.S. citizenship, favouring H-1B visa holders.
- The lawsuit seeks damages for U.S. citizens denied Tesla jobs or fired, citing Tesla's 2024 hiring of 1,355 visa holders.

SAN FRANCISCO – Tesla, the electric vehicle company led by billionaire Elon Musk, was accused in a lawsuit on Sept 12 of favouring visa holders over Americans when making employment decisions, so it can pay less.

According to a proposed class action filed in San Francisco federal court, Tesla violates federal civil rights law through its “systematic preference” to hire visa holders, and fire US citizens at disproportionate rates compared with visa holders.

The complaint said Tesla is dependent on holders of H-1B visas for skilled workers, including in 2024 when it hired an estimated 1,355 visa holders while laying off more than 6,000 workers domestically, “the vast majority” believed to be US citizens.

Tesla, based in Austin, Texas, did not immediately respond to requests for comment.

The lawsuit was brought by software engineer Scott Taub and human resources specialist Sofia Brander, who said Tesla refused to hire them after learning they would not need sponsorship for employment, an indication they were US citizens.

Mr Taub said he was dissuaded from seeking one job after being told it was for “H-1B only”, and not invited to interview for a second job.

Ms Brander said Tesla would not interview her for two jobs though she had twice been a contract employee.

“While visa workers make up just a fraction of the United States labour market, Tesla prefers to hire these candidates over US citizens, as it can pay visa-dependent employees less than American employees performing the same work, a practice in the industry known as ‘wage theft’,” the complaint said.

The Sept 12 complaint quoted a Dec 27, 2024, post on X by Mr Musk, a naturalised US citizen who was born and raised in South Africa, and has held an H-1B visa.

“The reason I’m in America along with so many critical people who built SpaceX, Tesla and hundreds of other companies that made America strong is because of H-1B,” Mr Musk wrote.

It is unclear how the plaintiffs plan to show Tesla’s alleged systemic discrimination in hirings and firings.

Mr Daniel Kotchen, a lawyer for the plaintiffs, declined additional comment.

The lawsuit seeks damages for all US citizens who applied for Tesla jobs in the United States and were not hired, or worked for Tesla there and were fired. REUTERS