

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

DIANNE MCGOWAN, individually and on  
behalf of all others similarly situated,

v.

CFG HEALTH NETWORK, LLC d/b/a  
CFG HEALTH NETWORK COMPANIES

**Case No.** \_\_\_\_\_

FLSA Collective Action

FED. R. CIV. P. 23 Class Action

Jury Trial Demanded

**ORIGINAL CLASS AND COLLECTIVE ACTION COMPLAINT**

**SUMMARY**

1. Like many other companies across the United States, CFG's timekeeping and payroll systems were affected by the hack of Kronos in 2021.

2. That hack led to problems in timekeeping and payroll throughout CFG's organization.

3. As a result, CFG's workers who were not exempt from overtime under federal and state law were not paid for all hours worked and/or were not paid their proper overtime premium on time, if at all, for all overtime hours worked after the onset of the Kronos hack.

4. Dianne McGowan is one such CFG worker.

5. CFG could have easily implemented a system to accurately record time and properly pay non-exempt hourly and salaried employees until issues related to the hack were resolved.

6. But it didn't. Instead, CFG pushed the cost of the Kronos hack onto the most economically vulnerable people in its workforce.

7. CFG made the economic burden of the Kronos hack fall on front-line workers—average Americans—who rely on the full and timely payment of their wages to make ends meet.

8. After significant delay, CFG made payment of some of these outstanding wages. However, portions of these earned wages remain unpaid.

9. CFG's failure to pay wages, including proper overtime, on time and in full, for all hours worked violates the Fair Labor Standards Act (FLSA), 29 U.S.C. § 201 *et seq.*

10. CFG's failure to pay wages, including proper overtime, on time and in full, violates the New Jersey State Wage and Hour Law (NJSWHL), N.J. Stat. Ann. § 34:11-56a *et seq.*, and the New Jersey Wage Payment Law (NJWPL), N.J. Stat. Ann. § 34:11-4.1, *et seq.*

11. McGowan brings this lawsuit to recover these unpaid overtime wages and other damages owed by CFG to her and CFG's other non-overtime-exempt workers, who were the ultimate victims of not just the Kronos hack, but CFG's decision to make its own non-exempt employees workers bear the economic burden for the hack.

12. This action seeks to recover the unpaid wages and other damages owed by CFG to all these workers, along with the penalties, interest, and other remedies provided by federal and New Jersey law.

#### **JURISDICTION & VENUE**

13. This Court has original subject matter jurisdiction pursuant to 28 U.S.C. § 1331 because this action involves a federal question under the FLSA. 29 U.S.C. § 216(b).

14. The Court has supplemental jurisdiction over any state law sub-classes pursuant to 28 U.S.C. § 1367.

15. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(1) because CFG is headquartered in this District.

#### **PARTIES**

16. **Plaintiff Dianne McGowan** is a natural person.

17. McGowan was, at all relevant times, an employee of CFG.
18. McGowan worked for CFG from April 2010 to February 2022.
19. McGowan worked for CFG in New Jersey.
20. McGowan worked for CFG in Warren County, New Jersey.
21. McGowan represents at least two groups of similarly situated CFG workers.
22. McGowan represents a collective of similarly situated workers under the

FLSA pursuant to 29 U.S.C. § 216(b). This “FLSA Collective” is defined as:

**All current or former non-exempt employees of CFG who worked in the United States at any time since the onset of the Kronos ransomware attack, on or about December 11, 2021, to the present.**

23. McGowan represents a class of similarly situated workers under New Jersey law pursuant to Federal Rule of Civil Procedure 23. This “New Jersey Class” is defined as:

**All current or former non-exempt employees of CFG who worked in New Jersey at any time since the onset of the Kronos ransomware attack, on or about December 11, 2021, to the present.**

24. Throughout this Complaint, the FLSA Collective members and New Jersey Class members are referred to jointly as the “Similarly Situated Workers.”

25. **Defendant CFG Health Network, LLC d/b/a CFG Health Network Companies (“CFG”)** is a domestic limited liability company.

26. CFG is headquartered in this District.

27. At all relevant times, one or more of CFG’s ultimate members were citizens of New Jersey.

28. CFG may be served by service upon its registered agent, **Thomas J. Tamburelli, 4300 Haddonfield Rd., Ste. 311, Pennsauken, NJ 08109-3376**, or by any other method allowed by law.

29. At all relevant times, CFG has been doing business under the assumed name, “CFH Health Network Companies.”

30. Throughout this Complaint, CGF and its subsidiaries and alter egos are referred to jointly as “CFG.”

31. CFG’s subsidiaries and alter egos include, but are not limited to:

- Center for Family Guidance, PC
- CFG Health Systems, LLC
- CFG Residentials, LLC

32. At all relevant times, CFG exerted operational control over its subsidiaries and alter egos.

33. At all relevant times, CFG substantially controlled the terms and conditions of employment for workers of its subsidiaries and alter egos.

34. At all relevant times, CFG had a common control and management of labor relations regarding employees of its subsidiaries and alter egos.

35. CFG employed and/or jointly employed, with its subsidiaries and alter egos, McGowan and the Similarly Situated Workers.

36. CFG and its subsidiaries and alter egos are joint employers for purposes of the FLSA.

37. CFG and its subsidiaries and alter egos are joint employers for purposes of New Jersey law.

#### **COVERAGE UNDER THE FLSA**

38. At all relevant times, CFG was an employer of McGowan within the meaning of Section 3(d) of the FLSA, 29 U.S.C. § 203(d).

39. At all relevant times, CFG was and is an employer of the FLSA Collective Members within the meaning of Section 3(d) of the FLSA, 29 U.S.C. § 203(d).

40. CFG was and is part of an enterprise within the meaning of Section 3(r) of the FLSA, 29 U.S.C. § 203(r).

41. During at least the last three years, CFG has had gross annual sales in excess of \$500,000.

42. CFG was and is part of an enterprise engaged in commerce or in the production of goods for commerce within the meaning of the FLSA, 29 U.S.C. § 203(s)(1).

43. CFG employs many workers, including McGowan, who are engaged in commerce or in the production of goods for commerce and/or who handle, sell, or otherwise work on goods or materials that have been moved in or produced for commerce by any person.

44. The goods and materials handled, sold, or otherwise worked on by McGowan and other CFG employees and that have been moved in interstate commerce include, but are not limited to, medical equipment and supplies.

#### **FACTS**

45. CFG is a healthcare provider that provides medical and mental health services.

46. Many of CFG's employees are non-exempt hourly and salaried workers.

47. Since at least 2021, CFG has used timekeeping software and hardware operated and maintained by Kronos.

48. On or about December 11, 2021, Kronos was hacked with ransomware.

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.