

'He's finally getting his due.' Serial ADA filer faces charges as store owners rejoice

BY SAM STANTON

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VIDEO: Serial ADA lawsuit filer Scott Johnson leaves federal court on Wednesday, May 29, 2019, in Sacramento. The Sacramento attorney is accused of filing false tax returns on income he received from ADA lawsuit settlements. BY **PAUL KITAGAKLIR**.

When Sacramento attorney Scott N. Johnson was indicted last week on tax charges, the reaction from people he

has sued for Americans with Disabilities Act violations was simple and quick.

"Yaaaaay," said Steven Johnson, who runs a costume and magic shop in Carmichael with his mother and was <u>sued in 2005</u> over a lack of ADAcompliant parking. "It isn't enough. The penalties for tax evasion are well and good, but he really should be caught up for his abuse of the ADA laws."

Across Northern California, Scott Johnson has filed thousands of lawsuits alleging ADA violations, collecting settlements and, sometimes, driving business owners to close their doors. "When patently absurd claims are made it creates more harm than good.

He's completely contorted the law and made a lot of enemies."

Kathleen Finnerty, Esq. Finnerty Law Offices, Inc.

Now, Johnson is facing charges that he filed false tax returns on income received from such lawsuits, and he made a brief appearance in federal court Wednesday afternoon where his attorney, Malcolm Segal, entered a not guilty plea on his behalf. U.S. Magistrate Judge Deborah Barnes ordered Johnson to surrender his passport, not travel outside the country and warned him to report any contact with law enforcement – even parking or speeding tickets – and to make all future appearances. "He's been aware of this case for four years," Segal told Barnes, "and will make all appearances." Barnes ordered the next hearing in the case for July 9.

Segal and Johnson declined comment leaving the courtroom, but his attorney has said the charges are a mistake by the Internal Revenue Service and contends that Johnson has made countless businesses accessible to disabled customers through his lawsuits.

But business owners and attorneys who have gone up against him say they see him as a serial abuser of the 29year-old federal law who used it to make money, often without actually having visited the businesses he sued.

At Magic Illusions, which has been in business for more than three decades, Leora and Steven Johnson say they have never laid eyes on Scott Johnson, and that he sued them after driving by their shop and seeing a lack of ADA

parking. Johnson allegedly was looking for a Halloween costume for his service dog, Rocky, at the time, they say, and they ended up quickly settling the case for \$11,000 in ADA improvements and attorney's fees, including a \$4,000 payment to Scott Johnson. "In other words, he drove up the street looking for target businesses," Steven Johnson said. "It's a good racket. He's found a great racket and he's milking it. Why would he quit?"

JOHNSON'S ROUTINE

Don Murphy, whose son Mike owned the <u>venerable Jointed Cue Billiards</u> pool hall on Fruitridge Road, had a similar experience with Johnson, saying the business was sued for ADA violations without any indication Johnson had visited the business. "My son had surveillance cameras in there and nobody ever recalled seeing him," Murphy said. "He never entered the place.

"That's his M.O. He sends his people in and they do the surveillance and he waits and files suit. It was May of last year that my son got served, and he claimed he had been there five times and that equated to \$20,000 for his damages. The counter was not adequate for someone who wanted to go pay his bill."

Murphy said the business served numerous other disabled patrons without problems, but could not absorb the costs of the repairs that would be needed or the cost of settling, so the business closed without paying Johnson last summer. "I've got nothing against people that are in wheelchairs," Murphy said. "But my first reaction (after learning of the indictment) is that he's finally getting his due for the damage he's done to people in this town.

"When I heard it was the IRS, well, not even Al Capone could get away from the IRS."

For many years, Johnson's lawsuits followed a sort of routine, <u>a 2006 Bee investigation</u> of ADA lawsuits found. He would visit a business, file suit over a violation and, typically, settle the case quickly for \$4,000 or so.

Since then, he appears to have largely stopped filing his own suits and now uses a San Diego firm that lawyers say increases the costs to business owners because that firm seeks attorney's fees. Sacramento attorney Shane Singh, who has defended dozens of business sued by Johnson, refers to him in court documents as "one of the most notorious ADA litigants in Northern California." "I've probably had 100 or more cases with him, probably commencing in 2003 when he started being a prolific filer," Singh said. "A plaintiff like Johnson, sometimes they sue for really minor things like the paint in the striped parking for disabled customers or a counter height being one or two inches off. "So, this doesn't really provide meaningful access, per se. It's technical violations."

'CONTORTED THE LAW'

ADA advocates argue that the law has been in place for decades and that business not in compliance are keeping customers from accessing their establishments. But some lawyers who've fought Johnson in court question claims he has made about visiting the businesses and actually having suffered by issues with access.

"I represented different owners of apartment complexes that own more than 50 apartments and Scott contended that he visited each and every one of those as a bona fide patron," Roseville attorney <u>Kathi Finnerty</u> said. "And, of course he hadn't visited any of them as a bona fide patron."

Finnerty said she was not surprised when she heard Johnson had been indicted.

"I'm very sympathetic with people with disabilities, and 99.98 percent of my clients want to make whatever accommodations are necessary," she said. "But when patently absurd claims are made it creates more harm than good. He's completely contorted the law and made a lot of enemies."

And Johnson apparently has not always won; Finnerty says she won two cases against him in court. "I did win," she said. "I collected at least two checks from Scott in some cases where clients would not roll over and had the financial capacity to do so. "I posted those checks on the wall, no taxidermy required."

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