

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
WISCONSIN

Steve Burnside v. The Credit Repair Shop and Steven A. Williams

Burnside · No. 26-cv-382-pp · Decided April 21, 2026

SUMMARY

The United States District Court for the Eastern District of Wisconsin grants Steve Burnside leave to proceed without prepaying the filing fee but dismisses his case for lack of subject-matter jurisdiction. The court dismisses his Credit Repair Organizations Act, defamation or false-statements, and civil RICO claims, while finding that his wrongful-termination claim under Wisconsin law is sufficiently stated but cannot proceed absent diversity jurisdiction. The court declines to rule on his emergency motion for injunctive relief and directs the clerk to enter judgment.

CASE DETAILS

COURT	United States District Court for the Eastern District of Wisconsin
JURISDICTION	United States District Court for the Eastern District of Wisconsin
DECIDED	April 21, 2026
DOCKET	26-cv-382-pp
DISPOSITION	dismissed
PROCEDURAL POSTURE	The self-represented plaintiff filed a federal complaint, moved to proceed without prepaying the filing fee, moved to expedite consideration of that request, and sought emergency injunctive relief. The court screened the complaint under 28 U.S.C. § 1915A and dismissed the case for lack of subject-matter jurisdiction.
STANDARD OF REVIEW	Under 28 U.S.C. § 1915A(b), the court screened the complaint for frivolousness, maliciousness, failure to state a claim, and claims seeking relief from an immune defendant. The court liberally construed the self-represented plaintiff's allegations but required compliance with Federal Rule of Civil Procedure 8(a)(2) and facial plausibility under <i>Ashcroft v. Iqbal</i> . Subject-matter jurisdiction was considered de novo as a threshold matter.
PRECEDENTIAL VALUE	unpublished district court order; nonprecedential

TOPICS

subject matter jurisdiction

civil procedure

wrongful termination

whistleblower

consumer protection

PRACTICE AREAS

civil procedure

consumer protection

employment law

remedies

QUESTIONS PRESENTED

1. Whether the plaintiff could proceed without prepaying the filing fee.
2. Whether the plaintiff had standing to assert a Credit Repair Organizations Act claim based on fees allegedly charged to other consumers.
3. Whether the complaint stated a federal whistleblower or retaliation claim.
4. Whether the complaint stated a Wisconsin wrongful-termination claim in violation of public policy.
5. Whether the alleged false statement concerning the plaintiff's unemployment benefits stated a defamation claim or supported a private action under Wisconsin's criminal unemployment-insurance statute.
6. Whether the complaint stated a civil RICO claim based on the defendants' alleged credit-repair practices.
7. Whether the court had subject-matter jurisdiction over the remaining state-law wrongful-termination claim through diversity jurisdiction.
8. Whether the court could rule on the plaintiff's motion for a temporary restraining order and preliminary injunction after determining that subject-matter jurisdiction was lacking.

HOLDINGS

1. The plaintiff qualified to proceed without prepaying the filing fee because his financial submissions showed that he lacked the ability to pay the fee up front, although he remained responsible for paying the fee over time as able.
2. The plaintiff lacked standing to sue under the Credit Repair Organizations Act because he alleged that the defendants charged upfront fees to other consumers, not that he personally paid such fees or was otherwise directly affected by the alleged CROA violation.
3. The complaint did not identify an applicable federal or Wisconsin statutory whistleblower-protection provision supporting the plaintiff's retaliation claim.
4. The plaintiff sufficiently stated, at the pleading stage, a Wisconsin state-law claim for wrongful termination in violation of public policy based on his alleged refusal to participate in conduct he believed violated federal law.
5. The plaintiff did not state a defamation claim because he did not allege that the defendants' statement about his last day of work harmed his reputation, and he could not privately enforce Wisconsin's criminal unemployment-insurance statute.
6. The plaintiff failed to state a civil RICO claim because he did not plead racketeering activity qualifying under the exclusive list in 18 U.S.C. § 1961(1); alleged CROA violations do not constitute RICO racketeering activity.

7. The court lacked subject-matter jurisdiction because, after dismissal of the federal claims, the remaining claim arose under state law and complete diversity was absent.

KEY QUOTATIONS

“The plaintiff has no standing—no legally protectable personal interest—to sue the defendant for a CROA violation that he did not experience.”

“The court is not aware of any whistleblower statute that would apply to the plaintiff’s case.”

“The court ORDERS that that this case is DISMISSED for lack of subject-matter jurisdiction.”

FACTUAL BACKGROUND

The plaintiff worked for The Credit Repair Shop and Steven A. Williams, providing credit-repair services. He alleged that the defendants accepted upfront payments from customers between 2020 and 2024, that he objected to this practice as allegedly unlawful under the Credit Repair Organizations Act, and that the defendants reassigned and terminated him in February 2026. He also alleged that the defendants supplied incorrect information about his last day of work to Wisconsin's unemployment-insurance division.

PROCEDURAL HISTORY

The plaintiff alleged that his private-employer defendants violated federal law, retaliated against him, defamed him, and engaged in civil RICO violations. The court granted leave to proceed without prepaying the filing fee, denied the expedited-review motion as moot, dismissed the federal claims for failure to state a claim, and then dismissed the remaining Wisconsin wrongful-termination claim because complete diversity was absent. The court declined to rule on the emergency motion for a temporary restraining order and preliminary injunction.

DISPOSITION

dismissed

CASES CITED

- Coleman v. Tollefson, 575 U.S. 532, 534 (2015)
- Robbins v. Switzer, 104 F.3d 895, 898 (7th Cir. 1997)
- Rosas v. Roman Catholic Archdiocese of Chicago, 748 F. App'x 64, 65 (7th Cir. 2018)
- Erickson v. Pardus, 551 U.S. 89, 94 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 663-64 (2009)
- Warth v. Seldin, 422 U.S. 490, 499 (1975)
- Kinzel v. Board of Regents of the University of Wisconsin System, 347 Wis. 2d 550 (Table), 2013 WL 1234977, at *4 (Wis. Ct. App. 2013)
- Verfuert v. Orion Energy Systems, Inc., 879 F.3d 789, 792-93 (7th Cir. 2018)
- Tatge v. Chambers & Owen, Inc., 219 Wis. 2d 99, 112-13 (Wis. 1998)
- Bammert v. Don's Super Valu, 254 Wis. 2d 347, 350-51 (Wis. 2002)

- Strozinsky v. School District of Brown Deer, 237 Wis. 2d 19, 40, 48, 54 (Wis. 2000)
- Wesbrook v. Ulrich, 90 F. Supp. 3d 803 (W.D. Wis. 2015)
- Torgerson v. Journal Sentinel, Inc., 210 Wis. 2d 524, 534 (Wis. 1997)
- Saleem v. Helman, 124 F.3d 205 (Table), 1997 WL 527769, at *2 (7th Cir. Aug. 21, 1997)
- Slaney v. The International Amateur Athletic Federation, 244 F.3d 580, 597 (7th Cir. 2001)
- Holland v. Cerberus Capital Management, No. 13-CV-00491, 2014 WL 6473479, at *6 (N.D. Ind. Nov. 18, 2014)
- McDonald v. Schencker, 18 F.3d 491, 495 (7th Cir. 1994)
- Lincoln Property Co. v. Roche, 546 U.S. 81, 89 (2005)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/united-states-district-court-for-the-eastern-district-of-wisconsin-united-states-district-court-for/2026/steve-burnside-v-the-credit-repair-shop-and-steven-a-itwtga8w>