



Highlights of [GAO-09-924](#), a report to congressional requesters

Why GAO Did This Study

In 2008, the Federal Motor Carrier Safety Administration (FMCSA) reports that there were about 300 fatalities from bus crashes in the United States. Although bus crashes are relatively rare, they are particularly deadly since many individuals may be involved. FMCSA tries to identify unsafe motor coach carriers and take them off the road.

GAO was asked to determine (1) to the extent possible, the number of motor coach carriers registered with FMCSA as new entrants in fiscal years 2007 and 2008 that are substantially related to or in essence the same carriers the agency previously ordered out of service, and (2) what tools FMCSA uses to identify reincarnated carriers. To identify new entrants that were substantially related to carriers placed out of service, GAO analyzed FMCSA data to find matches on key fields (e.g., ownership, phone numbers, etc.). GAO's analysis understates the actual number of reincarnated carriers because, among other things, the matching scheme used cannot detect minor spelling changes or other deception efforts. GAO also interviewed FMCSA officials on how the agency identifies reincarnated carriers.

GAO is not making any recommendations. In July 2009, GAO briefed FMCSA on its findings and incorporated the agency's comments, as appropriate.

[View GAO-09-924 or key components.](#)
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MOTOR CARRIER SAFETY

Reincarnating Commercial Vehicle Companies Pose Safety Threat to Motoring Public; Federal Safety Agency Has Initiated Efforts to Prevent Future Occurrences

What GAO Found

GAO's analysis of FMCSA data for fiscal years 2007 and 2008 identified 20 motor coach companies that likely reincarnated from "out of service" carriers. This represents about 9 percent of the approximately 220 motor coach carriers that FMCSA placed out of service during these 2 fiscal years. The number of likely reincarnated motor carriers is understated, in part, because GAO's analysis was based on exact matches and also could not identify owners who purposely provided FMCSA deceptive information on the application (e.g., ownership) to hide the reincarnation from the agency. Although the number of reincarnated motor coach carriers that GAO identified was small, these companies pose a safety threat to the motoring public. According to FMCSA officials, under registration and enforcement policies up to summer 2008, reincarnation was relatively simple to do and hard to detect. As a result, motor coach carriers known to be safety risks were continuing to operate. According to FMCSA data, 5 of the 20 bus companies were still in operation as of May 2009. GAO referred these cases to FMCSA for further investigation.

Examples of Reincarnating Motor Coach Carriers

Location	Reason for out-of-service order	Description
Texas	Failure to pay a \$2,380 fine related to 5 safety violations.	<ul style="list-style-type: none"> Owner of "out-of-service" carrier registered "new entrant" carrier in daughter's name. In 2008, the new carrier's new entrant registration was revoked and the owner was convicted of cocaine possession.
New York	Failure to pay fine.	<ul style="list-style-type: none"> "New entrant" carrier was located in a church. The "out-of-service" carrier was located next door in a school affiliated with the church. FMCSA had not conducted a new entrant review of the new company as of July 2009.
California	Failure to pay approximately \$5,000 fine related to 11 safety violations.	<ul style="list-style-type: none"> New motor coach business located in retail store. Several brochures and business cards of "out-of-service" carrier were displayed on counter. In June 2009, the new carrier was ordered out-of-service for failing to pay a fine.

Source: GAO.

The 20 cases that GAO identified as likely reincarnations were registered with FMCSA at the time that FMCSA did not have any dedicated controls in place to prevent motor coach carriers from reincarnating. In 2008, FMCSA instituted a process to identify violators by checking applicant information against those of poor-performing carriers. For example, if FMCSA finds a new entrant with a shared owner name or company address for an out-of-service company, the agency will make inquiries to determine if the new applicant is related to the out-of-service carrier. If such a determination is made, FMCSA still faces legal hurdles, such as proving corporate successorship, to deny the company operating authority.