A.G. SCHNEIDERMAN ANNOUNCES CRACKDOWN ON DANGEROUS UPS TRUCKS, SECURES $1.3 MILLION IN SETTLEMENT

Settlement Changes UPS Inspection Methods After Mechanics Passed Rotting & Decaying Trucks

Schneiderman: UPS Endangered Public by Knowingly Keeping Dangerous Trucks in Service

SYRACUSE - Attorney General Eric T. Schneiderman today announced a $1.3 million settlement with United Parcel Service, Inc. (UPS), resolving allegations that they knowingly permitted package delivery trucks in serious disrepair to be driven and operated by UPS employees throughout New York State.

The Attorney General's investigation found that UPS was inspecting and passing their own trucks despite their poor condition. Under the agreement, UPS paid $1.3 million in penalties, fines and costs, and consented to have an independent inspector conduct New York State vehicle inspections of UPS trucks in service within New York State for the next five years.

"UPS knowingly endangered not only the lives of their own employees but the lives of the driving public," said Attorney General Schneiderman. "By keeping these rotting and decaying trucks on the roadways, UPS was an accident waiting to happen, and this office has zero tolerance for anyone who knowingly poses a serious and significant risk to New Yorkers."

Today's settlement resulted from an investigation that began upstate, but was quickly discovered to be a statewide problem. A UPS mechanic advised the Office of the Attorney General (OAG) that despite having personally removed four package delivery trucks from service at the Watertown, New York facility in March 2006 because they all had cracked frames, UPS allowed those trucks to remain in service without being repaired.

UPS had an internal procedure for the annual assessment and review for its truck fleet, referred to as the Annual Vehicle Retirement Process, as well as the ability to certify the safety of its fleet, but failed to carry through with those safety standards. Through this process, UPS determined which, if any, of its trucks needed to be removed from service and disposed of due to a number of factors, including the age of the truck, condition and odometer reading. In addition, because of the size of its truck fleet, UPS received a license from the New York State Department of Motor Vehicles to conduct New York State vehicle inspections on its own trucks.

The OAG investigation revealed that in 2004, at least 23 delivery trucks were identified by UPS supervisors during the vehicle assessment process as having "cracked" or "rotted" frames. None of these trucks, however, were taken out of service. Instead, all 23 trucks were kept in regular, continuous service for months, and in some instances, for up to two years. These trucks also logged a significant number of miles in the process, without the required frame repairs.

During the time these trucks were kept in service, UPS mechanics repeatedly conducted State and Federal inspections certifying the safe condition of the vehicles, despite the fact that they had cracked or rotted frames, and should have failed inspection.

The OAG investigation further revealed that in 2005, 106 delivery trucks were identified by UPS supervisors during the vehicle assessment process as having "frame cracks" or "needing complete frame assembly."

As part of today's agreement, UPS has paid the State of New York $1.3 million in penalties, fees and costs. For the next five years, UPS has agreed to bear the expense of retaining an independent...
inspector, who will be pre-approved by the OAG, and who will conduct New York State vehicle inspections of UPS trucks in service within New York State. For the first three years of this agreement, the independent inspector will conduct inspections of all UPS trucks in service within New York State. During the fourth and fifth years, the independent inspector will conduct "spot checks" of UPS trucks in service within New York State.

In addition, UPS has agreed to comply with New York State and Federal laws which establish maximum driving hours for drivers of property carrying vehicles, maximum weights, and the securing of cargo.

UPS has also agreed to graduated penalties for any future violations ranging from $500 for the first violation within a one year period and up to $10,000 for a fourth or any subsequent violation within a one year period.

The investigation was conducted by Assistant Attorney General Nicholas DeMartino, OAG Investigators Andrea Burnham and Thomas Wolf from the Attorney General's Syracuse Regional Office, under the supervision of Bureau Chief Gail Heatherly.