

Why GAO Did This Study

The Federal Motor Carrier Safety Administration's (FMCSA) mission is to ensure motor carriers operate safely in interstate commerce. FMCSA partners with state agencies to conduct a variety of motor carrier oversight activities, which are carried out by certified auditors, inspectors, and investigators. Some motor carriers have registered under a new identity and begun to operate in interstate commerce, violating federal law in an effort to disguise their former identity and evade detection by FMCSA. Such carriers are known as chameleon carriers.

GAO's objectives were to examine (1) the prevalence of chameleon carriers; (2) how well FMCSA's investigative programs are designed to identify suspected chameleon carriers; and (3) what constraints, if any, FMCSA faces in pursuing enforcement actions against suspected chameleon carriers.

To address these objectives, GAO analyzed data on new applicants; reviewed investigative program guidance, federal motor carrier laws and regulations, GAO and other reports, and selected state corporate successor liability laws; observed two new entrant safety audits; and interviewed FMCSA headquarters and field officials, state officials—including law enforcement agencies—and motor carrier stakeholders.

What GAO Recommends

FMCSA should expand the vetting program using a data-driven approach; and provide guidance to improve the new entrant program. FMCSA generally concurred with our recommendations.

View [GAO-12-364](#). For more information, contact Susan A. Fleming at (202) 512-2834 or flemings@gao.gov.

MOTOR CARRIER SAFETY

New Applicant Reviews Should Expand to Identify Freight Carriers Evading Detection

What GAO Found

FMCSA does not determine the total number of chameleon carriers within the motor carrier industry. Such a determination would require FMCSA to investigate each of the tens of thousands of new applicants that register annually and then complete a legal process for some of these suspected chameleon carriers, an effort for which FMCSA does not have sufficient resources. Rather, FMCSA's attempt to identify chameleon carriers among new applicants, referred to as the vetting program, is limited to bus companies (passenger carriers) and movers (household goods carriers). These two relatively small groups, representing only 2 percent of all new applicants in 2010, were selected because they present consumer protection and relatively high safety risks. Through the vetting program, FMCSA conducts electronic matching of applicant registration data against data on existing carriers and investigates each application from these two small groups, but does not determine whether all other new applicants, including freight carriers, may be attempting to assume a new identity. Federal internal control standards direct agencies to assess the risks they face to determine the most effective allocation of federal resources, including how best to distribute resources for activities such as investigations and enforcement. GAO demonstrated how analysis of registration data can be used to assess risk by targeting all new applicant carriers that have attributes similar to those of chameleon carriers—for example, company registration data that match data for another carrier with a history of safety violations. Using FMCSA data, GAO found an increasing number of carriers with chameleon attributes, from 759 in 2005 to 1,136 in 2010. GAO also found that 18 percent of the applicants with chameleon attributes were involved in severe crashes compared with 6 percent of new applicants without chameleon attributes.

FMCSA's investigative programs—the vetting and new entrant safety assurance programs—are not well designed to identify suspected chameleon carriers. The vetting program assesses all passenger and household goods carriers applying for operating authority, but it does not cover other groups of carriers, including freight truck carriers, which represented 98 percent of all new motor carrier applicants in 2010 and were more likely to be involved in fatal crashes than passenger carriers. The new entrant safety assurance program—which involves a safety audit for all new entrants, including freight carriers—entails a brief assessment of whether a carrier may be chameleon, but is primarily designed to educate new entrants about federal motor carrier safety regulations. The safety audit includes questions to elicit information on connections between new and previous carriers, but auditors lack necessary guidance on how to interpret the responses to distinguish chameleon carriers from legitimate carriers.

FMCSA faces several constraints in pursuing enforcement actions against suspected chameleon carriers. For example, as a result of a 2010 decision by an FMCSA Assistant Administrator, it is unclear whether FMCSA should use a state or a federal legal standard to demonstrate that a carrier is a chameleon. Thus, evidence is gathered to meet both a state and federal legal standard, which can lead to differing enforcement actions across states and has increased the time necessary to pursue chameleon carrier cases. FMCSA is pursuing several options to achieve a single standard, including providing input to Congress on a legislative proposal, monitoring chameleon carrier cases that could clarify the 2010 decision, and pursuing a separate rulemaking. Other constraints on FMCSA enforcement actions include a resource-intensive legal process, the inability to preclude carriers from obtaining multiple registration numbers, and low maximum fines.