

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**NOTICE OF PENALTIES INCURRED AND DUE
FOR VIOLATIONS OF LAWS AND RULES**

PENALTY ASSESSMENT: TV-220107
PENALTY AMOUNT: \$100

Merchant's Parcel Delivery, Inc.,
d/b/a Bekins Northwest
4907 Auto Center Blvd.
Bremerton, WA 98312

The Washington Utilities and Transportation Commission (Commission) believes Merchant's Parcel Delivery, Inc., d/b/a Bekins Northwest (Merchant's Parcel or Company) violated Washington Administrative Code (WAC) 480-15-555, Criminal Background Checks for Prospective Employees.

Revised Code of Washington (RCW) 81.04.405 allows penalties of \$100 for each violation. In the case of an ongoing violation, every day's continuance is considered a separate and distinct violation.

On February 10, 2022, Commission Motor Carrier Investigator Sandra Yeomans completed a routine safety investigation of Merchant's Parcel and documented the following violation:

- **One violation of WAC 480-15-555(3) – Hiring an employee with a conviction that prohibits them from being employed in the household goods industry.** The Company hired driver Derek Conway-Newton who had a disqualifying conviction within the previous five years.

The Commission considered the following factors in determining the appropriate penalties for this violation:

1. **How serious or harmful the violation is to the public.** The violation noted is serious and potentially harmful to the public. Household goods moving companies that hire employees with disqualifying convictions put their customers and their customers' belongings at risk. This violation presents a serious safety concern.
2. **Whether the violation was intentional.** Considerations include:
 - Whether the Company ignored Commission staff's (Staff) previous technical assistance; and
 - Whether there is clear evidence through documentation or other means that shows the Company knew of and failed to correct the violation.

On September 3, 2020, the Commission received Merchant's Parcel Delivery, Inc., d/b/a Bekins Northwest's application for transfer of household goods moving authority from Merchant's Parcel Delivery, Inc., d/b/a Merchant's Moving and Storage. In the

application Kris O'Bannon II, Vice President of Operations for Merchant's Parcel, acknowledged the Company's responsibility to understand and comply with applicable motor carrier safety rules.

On October 27, 2020, Company representatives Jillian Ihly, Mandi Beale, and Kris O'Bannon II attended household goods training provided by Staff and acknowledged receiving training pertaining to motor carrier safety regulations.

The Company knew or should have known about these requirements.

3. **Whether the Company self-reported the violation.** Merchant's Parcel did not self-report this violation.
4. **Whether the Company was cooperative and responsive.** The Company was cooperative throughout the safety investigation.
5. **Whether the Company promptly corrected the violation and remedied the impacts.** Merchant's Parcel corrected the discovered violation.
6. **The number of violations.** Staff identified 12 violation types with a total of 26 individual occurrences during the routine safety investigation of Merchant's Parcel. Of those violations, Staff identified one violation type with one individual occurrence that warrants a penalty in accordance with the Commission's Enforcement Policy.
7. **The number of customers affected.** Merchant's Parcel reported traveling 8,396 miles in 2020. This violation presents a public safety risk.
8. **The likelihood of recurrence.** The Company was cooperative throughout the safety investigation, made corrections, and was provided technical assistance with specific remedies to help the Company assess how well its safety management controls support safe operations and how to begin improving its safety performance. In light of these factors, Staff believes the likelihood of recurrence is low.
9. **The Company's past performance regarding compliance, violations, and penalties.** On May 16, 2019, the Commission assessed a \$16,200 penalty against Merchant's Parcel in Docket TV-190326 for safety violations of WAC 480-15-555 and WAC 480-15-570. On May 31, 2019, the Company applied for mitigation of the assessed penalty. On June 12, 2019, the Commission entered Order 01 in Docket TV-190326, granting mitigation in part to \$8,200 and suspending a \$5,000 portion of the penalty for a period of two years, subject to conditions. On June 17, 2019, the Company paid the \$3,200 portion of the penalty in full.
10. **The Company's existing compliance program.** Brad Pilkington, Safety Director of Merchant's Parcel, is responsible for the Company's safety compliance program.
11. **The size of the Company.** The Company employs five drivers and operates ten commercial motor vehicles. The Company reported \$821,136 in gross revenue in 2020.

The Commission's Enforcement Policy provides that some Commission requirements are so fundamental to safe operations that the Commission will issue mandatory penalties for each occurrence of a first-time violation.¹ The Commission generally will assess penalties by violation category, rather than per occurrence, for first-time violations of those critical regulations that do not meet the requirements for mandatory penalties. The Commission will assess penalties for any equipment violation meeting the Federal Motor Carrier Safety Administration's "out-of-service" criteria and also for repeat violations of critical regulations, including each occurrence of a repeat violation.

The Commission has considered these factors and determined that it should penalize Merchant's Parcel \$100 (Penalty Assessment), calculated as follows:

- One violation of WAC 480-15-555(3) – Hiring an employee with a conviction that prohibits them from being employed in the household goods industry. The Commission assesses a penalty of \$100 for this violation.

This information, if proven at a hearing and not rebutted or explained, is sufficient to support the penalty assessment.

Your penalty is due and payable now. If you believe the violation did not occur, you may deny committing the violation and contest the penalty through evidence presented at a hearing or in writing. Alternatively, if there is a reason for the violation that you believe should excuse you from the penalty, you may ask for mitigation (reduction) of the penalty through evidence presented at a hearing or in writing. The Commission will grant a request for hearing only if material issues of law or fact require consideration of evidence and resolution in a hearing. Any request to contest the violation or for mitigation of the penalty must include a written statement of the reasons supporting that request. Failure to provide such a statement will result in denial of the request. *See* RCW 81.04.405.

If you properly present your request for a hearing and the Commission grants that request, the Commission will review the evidence supporting your dispute of the violation or application for mitigation in a Brief Adjudicative Proceeding before an administrative law judge. The administrative law judge will consider the evidence and will notify you of their decision.

You must act within 15 days after receiving this Penalty Assessment to do one of the following:

- Pay the amount due.
- Contest the occurrence of the violation(s).
- Admit the violation but request mitigation of the penalty amount.

Please indicate your selection on the enclosed form and submit it electronically through the Commission's web portal **within FIFTEEN (15) days** after you receive this Penalty Assessment. If you are unable to use the web portal, you may submit it via email to records@utc.wa.gov. If you are unable to submit the form electronically, you may send a paper

¹ Docket A-120061 – Enforcement Policy of the Washington Utilities & Transportation Commission – Section V.

copy to the Washington Utilities and Transportation Commission, PO Box 47250, Olympia, Washington 98504-7250.

If you do not act within 15 days, the Commission may take additional enforcement action, including but not necessarily limited to suspending or revoking your certificate to provide regulated service, assessing additional penalties, or referring this matter to the Office of the Attorney General for collection.

DATED at Lacey, Washington, and effective March 8, 2022.

/s/Rayne Pearson
RAYNE PEARSON
Director, Administrative Law Division

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
PENALTY ASSESSMENT TV-220107

PLEASE NOTE: You must complete and sign this document and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed. I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

1. **Payment of penalty.** I admit that the violation occurred and enclose \$100 in payment of the penalty.

2. **Contest the violation(s).** I believe that the alleged violation(s) did not occur for the reasons I describe below (**if you do not include reasons supporting your contest here, your request will be denied**):

a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision.

OR b) I ask for a Commission decision based solely on the information I provide above.

3. **Application for mitigation.** I admit the violation, but I believe that the penalty should be reduced for the reasons set out below (**if you do not include reasons supporting your application here, your request will be denied**):

a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision.

OR b) I ask for a Commission decision based solely on the information I provide above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: _____ [month/day/year], at _____ [city, state]

Name of Respondent (company) – please print

Signature of Applicant

RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class