

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

PENALTY ASSESSMENT: TV-240073

PENALTY AMOUNT: \$17,400

Spaeth Transfer Inc.
1229 Hollis Street
Bremerton, WA 98310

The Washington Utilities and Transportation Commission (Commission) believes Spaeth Transfer Inc. (Spaeth Transfer or Company) violated Washington Administrative Code (WAC) 480-15-555, Criminal Background Checks for Prospective Employees, and WAC 480-15-560, Vehicle and Driver Safety Requirements, which adopts Title 49 Code of Federal Regulations (49 C.F.R.) Part 391 - Qualifications of Drivers, 49 C.F.R. Part 393 - Parts and Accessories Necessary for Safe Operation, and 49 C.F.R. Part 395 - Hours of Service of Drivers.

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 1, 2024, Commission Motor Carrier Investigator Sandra Yeomans completed a routine safety investigation of Spaeth Transfer and documented the following violations:

- **One violation of WAC 480-15-555 – Failure to complete a criminal background check for every person the carrier intends to hire.** The Company failed to acquire a criminal background check for employee David Zettlemoyer.
- **One hundred seventy violations of 49 C.F.R. § 391.45(a) – Using a driver not medically examined and certified.** Spaeth Transfer allowed drivers Austin Becker, Scotty Fleck, and Nicholas Perry to operate a commercial motor vehicle (CMV) without a valid medical certificate on 170 occasions between July 1, 2023, and December 30, 2023.
- **One violation of 49 C.F.R. § 393.9(a) – Inoperative required lamps.** The Company operated a CMV with an inoperable right, rearmost turning signal at the time of inspection.¹ The vehicle was placed out-of-service.
- **One violation of 49 C.F.R. 393.11(a)(1) – Missing turn signal.** The Company operated a CMV with a missing right, rearmost turning signal at the time of inspection.² The vehicle was placed out-of-service.

¹ Vehicle Identification Number (VIN) 1FUWJLBB6PL495300

² Vehicle Identification Number (VIN) 1HTMMAAM04H617762

- **Sixteen violations of 49 C.F.R. § 395.8(a)(1) – Failing to require driver to make a record of duty status.** The Company failed to require drivers Austin Becker, Travis Clayton, Scotty Fleck, Nicholas Perry, and David Zettlemyer to prepare a record of duty status on 16 occasions between November 1, 2023, and November 30, 2023.

The Commission considered the following factors in determining the appropriate penalties for these violations:

1. **How serious or harmful the violations are to the public.** The violations noted are serious and potentially harmful to the public. Household goods moving companies that: (1) fail to conduct criminal background checks prior to hiring their employees, (2) use drivers not medically examined and certified, (3) use CMVs with in need of repair, and (4) fail to maintain records of duty status put their customers' belongings and the traveling public at risk. These violations present significant safety concerns.
2. **Whether the violations were 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 violations.

Spaeth Transfer began its operations in 1923 and has been subject to previous safety investigations conducted by Staff.

On February 13, 2012, Company representative Anita Tobin 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 violations.** Spaeth Transfer did not self-report these violations.
4. **Whether the Company was cooperative and responsive.** The Company was cooperative and responsive during the safety investigation.
5. **Whether the Company promptly corrected the violations and remedied the impacts.** Spaeth Transfer corrected violations as they were discovered during the investigation.
6. **The number of violations.** Staff identified 25 violation types with a total of 248 individual occurrences during the routine safety investigation of Spaeth Transfer. Of those violations, Staff identified five violation types with 189 individual occurrences that warrant a penalty in accordance with the Commission's Enforcement Policy.

7. **The number of customers affected.** Spaeth Transfer last reported traveling 70,652 miles for 2022. These safety violations present a public safety risk.
8. **The likelihood of recurrence.** The Company was cooperative throughout the safety investigation 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.** The Company has no history of penalties for safety violations.
10. **The Company's existing compliance program.** Troy Keatley, operations manager, is responsible for the Company's safety compliance program.
11. **The size of the Company.** The Company employs 10 drivers and operates seven commercial motor vehicles. The Company reported \$2,723,670 in gross revenue in 2022.

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.³ 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 Spaeth Transfer \$17,400 (Penalty Assessment), calculated as follows:

- One violation of WAC 480-15-555 – Failure to complete a criminal background check for every person the carrier intends to hire. The Commission assesses a penalty of \$100 for this first-time critical-type violation.
- One hundred seventy violations of 49 C.F.R. § 391.45(a) – Using a driver not medically examined and certified. The Commission assesses a penalty of \$100 for each occurrence of these critical violations, for a total of \$17,000.
- One violation of 49 C.F.R. § 393.9(a) – Inoperative brake lamps. The Commission assesses a penalty of \$100 for this out-of-service violation.

³ Docket A-120061 – Enforcement Policy of the Washington Utilities & Transportation Commission – Section V.

- One violation of 49 C.F.R. § 393.9(a) – Missing turn signal. The Commission assesses a penalty of \$100 for this out-of-service violation.
- Sixteen violations of 49 C.F.R. § 395.8(a)(1) – Failing to require driver to make a record of duty status. The Commission assesses a \$100 “per category” penalty for these first-time critical violations.

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 violations did not occur, you may deny committing the violation(s) and contest the penalty through evidence presented at a hearing or in writing. Alternatively, if there is a reason for the violations 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(s) 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(s) 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 notice to do one of the following:

- Pay the amount due.
- Contest the occurrence of the violations.
- Admit the violations 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 at <https://efiling.utc.wa.gov/Form> **within FIFTEEN (15) days** after you receive this Penalty Assessment.⁴ 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 copy to the Washington Utilities and Transportation Commission, PO Box 47250, Olympia, Washington 98504-7250.

If you wish to make a payment online, please use this link: [Make a Payment Now \(wa.gov\)](#).⁵

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

⁴ <https://efiling.utc.wa.gov/Form>.

⁵ <https://www.utc.wa.gov/documents-and-proceedings/online-payments/make-payment-now>

regulated service, assessing additional penalties, or referring this matter to the Office of the Attorney General for collection.

DATED at Lacey, Washington, and effective February 23, 2024.

/s/ Michael Howard
MICHAEL HOWARD
Director, Administrative Law Division

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
PENALTY ASSESSMENT TV-240073

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 violations occurred.
 Enclose \$17,400 in payment of the penalty.
 OR Attest that I have paid the penalty in full through the Commission's payment portal.
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 violations, 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 or she makes a materially false statement which he or she 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 or her statement was not material is not a defense to a prosecution under this section.
- (3) Perjury in the first degree is a class B felony.