



Trucking Company Settles Over False Emissions Compliance Reporting

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Recently, California's attorney general, Rob Bonta, and the California Air Resources Board (CARB) reached a settlement with Complete Logistics Company, a trucking company, over its alleged false emissions reporting. The state alleged that the trucking company incorrectly asserted that it complied with California's regulations governing emissions so that it could get state grants to buy new and cleaner trucks. The grants totaled \$2.2 million, and the state settled with the company for \$2.38 million. The settlement, which can be viewed here, provides a payment schedule that spans 60 months.

The grants were provided pursuant to the Goods Movement Emission Reduction Program, which is funded under Proposition 1B. It is a \$1 billion program that establishes a partnership between CARB and local entities with the goal of reducing emissions produced by those involved in moving freight in California. The local agencies, which receive money from CARB, create financial incentives for trucking companies and other equipment owners to buy newer and cleaner technology. Once trucking companies certify that they meet the state's emission requirements, they can receive the funds from the program.

Complete Logistics Company allegedly falsely reported compliance during a time in which the company's owner was absent. When the owner returned to work, he instituted measures to correct the error, including firing the employees that were responsible for it. However, the company had accepted the funds and used them for improved, cleaner vehicles. In the time since the misrepresentation, the company has become compliant with the emissions regulations and is considered by CARB to be "a model trucking operator with respect to emissions compliance."

In regards to the grant program and the settlement with Complete Logistics Company, California's attorney general stated:

Californians unfortunately still breathe the worst air in the nation, and heavy trucks contribute to that air pollution. Proposition 1B provides a vital program that helps to fight this pollution by incentivizing private trucking fleets to secure newer, cleaner trucks that benefit community health ... In order for the program to work, companies need to play by the rules. Any company that bilks the state out of taxpayer dollars will swiftly be brought to justice. We're heartened to see that Complete Logistics cleaned up their act.

This situation and the significant penalty imposed on Complete Logistics Company should serve to caution the trucking and transportation industry of the potentially detrimental effects of falsifying reports to government agencies. As explained by CARB's executive officer, Richard W. Corey, "CARB utilizes its audit and investigation tools to ferret out companies receiving incentive funds based on falsely-reported compliance with CARB regulations. As this case illustrates, the consequences of such cheating are serious ... It's vital that other companies take note of the high settlement amount and remember that they risk their reputation and their business if they falsify information to obtain precious incentive funding."

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