



U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION  
MIDWESTERN SERVICE CENTER  
4749 Lincoln Mall Drive Suite 300A  
Matteson, IL 60443

January 19, 2012

GANGLOFF INDUSTRIES INC  
1040 W CR 250 SOUTH  
LOGANSPOBT, IN 46947

RE: Request for Change in Safety Rating under 49 CFR section 385.17

Dear Gangloff Industries Inc:

A compliance review conducted at Gangloff Industries Inc on May 27, 2011, resulted in a safety fitness rating of Conditional. On or about June 28, 2011, Gangloff Industries Inc submitted a request to upgrade its safety rating based on corrective action that it has taken to come into compliance with the Federal Motor Carrier Safety Regulations (FMCSRs) and/or Hazardous Materials Regulations (HMRs). Additionally, an on-site, non rated review was completed on December 7, 2011.

During the compliance review completed on May 27, 2011, Gangloff Industries Inc was cited for a critical violation in 49 CFR Part 395.

Your request for an upgrade and the Safety Management Plan (SMP) you submitted did not include sufficient evidence to justify an upgrade to Gangloff Industries Inc's safety fitness rating. As required by 49 CFR Section 385.17(c) the carrier must submit a written description of corrective actions taken and other documentation that may be relied upon as a basis for the requested change to the rating.

After reviewing your request, the SMP, and the evidence submitted, the Federal Motor Carrier Safety Administration (FMCSA) is **denying** your request. Your Safety Measurement System (SMS) scores reflect ongoing issues during roadside inspections and your current operations fail to meet the safety fitness standard specified in 49 CFR section 385.5.

To change a safety rating this office has to be assured that corrective action has been taken and that your current operations meet the safety fitness standard specified in 49 CFR section 385.5. You may submit another request for a change to the Conditional safety rating and SMP for reconsideration. If you believe the FMCSA has committed an error in its decision to deny your request, you may petition for an administrative review pursuant to 49 CFR section 385.15 (see 49 CFR section 385.17(j)) within 90 days of this denial. If you choose to petition under 49 CFR section 385.15, your petition must be submitted in writing to the Assistant Administrator, Chief Safety Officer, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue, SE, W60-312, Washington, D.C. 20590.

If Gangloff Industries Inc chooses to submit another request for an upgrade from the Conditional safety rating, in addition to the guidance already provided, you must include the following in your next SMP:

1. As of December 16, 2011, your SMS Fatigued Driving (HOS) BASIC score was (b) (6) your Unsafe Driving BASIC score was (b) (6) and your Crash BASIC score was (b) (6). These scores have been consistently in the Alert status of SMS for the last year. Therefore, all 3 of these BASICS must improve to below established thresholds and then be maintained for at least a 90 day period before a rating upgrade is warranted. Further, your driver out of service (OOS) rate is (b) (6). The national average is 5.5%.
2. When those 3 SMS BASIC scores are under established thresholds (see above), you must also provide a log book audit summary that includes reports for hours of service (i.e. 11, 14, 70/8 hour rules) and false log checks for the most recent **90** day period for EACH driver. The summary must include, at a minimum, the number of logs checked for compliance with the 11, 14, and 70/8 day hours of service regulations and the number of 11, 14, and 70/8 day hour violations found. In addition, the summary must include the number of log books checked for accuracy, the number of log books determined to have been falsified, the names of drivers found in violation by violation date and type, and identify the specific supporting documents you are using to verify the accuracy of the log books. Evidence of disciplinary action against drivers found violating the hours of service regulations must be attached to the summary.

Please continue your efforts to improve your compliance with the FMCSRs and/or HMRs. Should you have any questions, please feel free to contact the Enforcement team at (708)283-3555.

Sincerely,



Darin G. Jones  
Field Administrator

Cc: Kenneth Strickland, DA Indiana



U.S. Department  
of Transportation

# Memorandum

## Federal Motor Carrier Safety Administration

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Subject: Review of Upgrade Request from Motor Carrier

Date: January 17, 2012

From: Kenneth Strickland  
Division Administrator  
Indiana

Reply to  
Attn. of:

To: Darin Jones  
Field Administrator  
Midwest Service Center

I have reviewed the revised section 385.17 upgrade request of Gangloff Industries, Inc. US DOT 501313 received by our office on June 28, 2011. They currently have a **Conditional** safety rating.

The carrier **has not addressed** the violations identified in the last rateable compliance review performed on May 27, 2011.

**They currently have alerts in Unsafe Driving (b) (6) Fatigued Driving (b) (6) and Crash (b) (6) They have had alerts in these three areas since December 17, 2010.**

**A follow-up non-ratable review was conducted on Dec. 7, 2011. The following is from Part C of Officer Jeffrey Rimel's compliance review. He indicates that the carrier continues to be in non-compliance with the Hours of Service regulations.**

REASON FOR INVESTIGATION: THIS LIMITED FOLLOW-UP COMPLIANCE REVIEW THAT WAS INITIATED DUE TO THE CARRIER HAVING A PROSECUTION FOR 395.3(A) (2) DURING A COMPLIANCE REVIEW ON 05/27/2011. THIS AUDIT WAS TO VERIFY THE SAFETY MANAGEMENT PLANS CORRECTIVE ACTION FOR GANGLOFF INDUSTRIES INC. THE OFFICIAL CONTACTED FOR THE INVESTIGATION WAS THE CEO RANDY FERGUSON. SCOPE OF THE INVESTIGATION: THIS WAS A FOLLOW-UP TO VERIFY CORRECTIVE ACTION IN PART 395. CARRIER OPERATION DESCRIPTION: GANGLOFF INDUSTRIES INC. IS AN AUTHORIZED FOR HIRE CARRIER OPERATING MOSTLY IN THE MIDWEST BUT TAKES LOADS TO ALL OF THE LOWER 48 STATES. THE CARRIER IS AN EXCLUSIVE CARRIER FOR TYSON FOODS INC; PORK DIVISION OF LOGANSPOUT. THE COMPANY STARTED OPERATION AND INCORPORATED IN INDIANA IN 1991. THE CARRIER HAS A CURRENT MCS-150 FORM INDICATING A RENEWAL DATE OF 05/09/2011. THE VEHICLES LISTED ON PART A OF THE COMPLIANCE REVIEW CONSIST OF THIRTY-EIGHT (38) TRUCK TRACTORS, TWENTY-TWO (22) OWNED BY THE COMPANY AND SIXTEEN (16) LEASED. THEY ALSO HAVE EIGHTY-SEVEN (87) TRAILERS, EIGHTY-SIX (86) OWNED BY THE COMPANY, AND ONE (1) LEASED. THE TRUCKS AND TRAILERS ALL HAVE A GVWR OF 26,000 +, THE CARRIER ALSO LIST THIRTY-NINE (39) DRIVERS USED IN INTERSTATE, OVER 100 AIR MILES. GANGLOFF INDUSTRIES INC. IS LOCATED AT 1040 W. 250 SOUTH, LOGANSPOUT, IN. 46947. 250 SOUTH IS LOCATED APPROXIMATELY 1 MILE SOUTH OF THE INTERSECTION OF SR

25 AND SR 29 ON THE SOUTHWEST SIDE OF LOGANSPORT. THE CARRIER IS LOCATED APPROXIMATELY ½ MILE WEST OF SR 29, ON THE NORTH SIDE OF THE ROADWAY. ALL DOCUMENTS USED FOR THIS REVIEW WERE LOCATED AT THE ABOVE LOCATION AND WERE PROVIDED BY THE OWNER RANDY FERGUSON. THE COMPANY OFFICERS ARE CEO, RANDY FERGUSON, PRESIDENT MARK A GANGLOFF, SECRETARY; MARK A. GANGLOFF AND TREASURER RANDY FERGUSON. GROSS INCOME OF THE CARRIER FOR FISCAL YEAR ENDING 12/31/2010 WAS LISTED AS \$7,506,581. PRE-INVESTIGATION: I CONTACTED THE CEO RANDY FERGUSON ON 12/05/2011 TO SET UP THE COMPLIANCE REVIEW. I E-MAILED HIM A CARRIER INFORMATION FACT SHEET AND REQUESTED THAT HE SEND ME A DRIVER AND VEHICLE LIST FOR THE CR THAT WOULD START ON 12/07/2011. MR. FERGUSON WAS COOPERATIVE DURING THE AUDIT AND WAS AN ACTIVE PARTICIPANT AND ASSISTED IN THE SPEED OF THIS REVIEW. A MOTOR CARRIER PROFILE WAS OBTAINED FROM MCMIS ON 12/05/2011. CDLIS (DRIVERS LICENSE) CHECK: NO CDLIS CHECKS WERE REQUIRED DURING THIS FOLLOW-UP. RED FLAG DRIVERS RED FLAG DRIVERS WERE NOT ADDRESSED WITH THIS REVIEW DRUG AND ALCOHOL SUPPLEMENTARY REVIEW: DRUG AND ALCOHOL TESTING WAS NOT ADDRESSED WITH THIS REVIEW INVESTIGATION: AT THE START OF THE CR, I ASKED FOR AND RECEIVED THE DOCUMENTS REQUESTED FOR THE FOCUSED CR. AS THE CR PROGRESSED I ASKED FOR CERTAIN LOGS FROM CERTAIN DRIVERS. I RECEIVED COMDATA FUEL DOCUMENTATION, AS WELL AS COPIES OF BILLS OF LADING. MR. FERGUSON WAS VERY ACCOMMODATING AND MADE COPIES OF ITEMS THAT I REQUESTED. ALL OF THE DOCUMENTS FOR THE DRIVERS WERE LOCATED AT THE BUSINESS ADDRESS OF GANGLOFF INDUSTRIES INC. IN LOGANSPORT, IN. ALL SUPPORTING DOCUMENTS WERE SEPARATED BY DRIVER. THE CARRIER STARTED TO USE A COMPUTER PROGRAM FROM J.J. KELLER TO CHECK LOGS AT THE FIRST OF THE YEAR. IT DOES A GOOD JOB OF CHECKING FOR 11, 14 AND 70 HR RULES, AS WELL AS FALSE AND FORM AND MANNER VIOLATIONS. AT THE END OF THE MONTH DRIVERS ARE GIVEN A LIST OF VIOLATIONS AND TOLD TO SEE THE SAFETY DEPARTMENT. MR. FERGUSON STATED TO ME THAT THE ONE DRIVER THAT HAD THE MOST PROBLEMS HAD NO IDEA WHAT HE DOING WRONG, AND AFTER SITTING DOWN AND TEACHING HIM ABOUT HOW THE 14 HR. RULE WORKS HAS HAD NO MORE PROBLEMS. IN LOOKING AT 214 PAGES OF LOGS I ONLY FOUND THREE (3) 14 HRS RULE VIOLATIONS AND TWO (2) WERE FOUND DURING ROADSIDE INSPECTION. I ALSO ONLY FOUND ONE (1) FALSE LOG USING THE COMDATA FUEL REPORTS. THE CARRIER PROFILE LISTED TEN (10) RECORDABLE COLLISIONS WITHIN THE LAST 15 MONTHS. USING IFTA RECORDS, THE CARRIER CURRENTLY ADVISES THAT THE INTERSTATE MILEAGE IS 3,737,130 MILES FOR THE LAST 12 MONTHS. I PROVIDED THE CARRIER WITH THE FORMS TO CHALLENGE THE RECORDABLE ACCIDENTS AS TO PREVENTABILITY. THE CARRIER BELIEVED THAT FIVE (5) ACCIDENTS COULD BE CHALLENGED. I SENT INFORMATION TO MR. DANIEL BEAVER IN REFERENCE TO CHALLENGING SOME OF THE ACCIDENTS DURING THE MAY COMPLIANCE REVIEW. AS OF THE TIME OF THIS AUDIT NONE OF THE ACCIDENTS HAVE BEEN REMOVED. MR. FERGUSON HAS TRIED TO CHALLENGE THESE IN DATA Q, AND WAS ADVISED THAT THE ONLY WAY TO CHALLENGE AN ACCIDENT IS DURING A COMPLIANCE REVIEW. THE CARRIER HAS HAD TWO (2) MORE RECORDABLE ACCIDENTS SINCE THE LAST COMPLIANCE REVIEW. THE CARRIER OOS AND CRASH RATES WERE NOT FIGURED DO TO THE LIMITED SCOPE OF THIS REVIEW. GANGLOFF INDUSTRIES IS STILL DEFICIENT IN THE UNSAFE DRIVING AND CRASH BASICS, AS WELL AS FATIGUE DRIVING. I ADVISED MR. FERGUSON THAT WITH THE THREE (3) DEFICIENCIES THAT HE NOT BE SURPRISED TO HAVE ANOTHER COMPLIANCE REVIEW DONE. THIS REVIEW REVEALED NON-COMPLIANCE WITH PARTS 392 AND 395 OF THE F.M.C.S.R.'S .PART 392.1 DATE OF INVESTIGATION 12/07/2011, THE FMCSA AND STATE OF LOCAL COMMERCIAL VEHICLE SAFETY PARTNERS HAVE IDENTIFIED VIOLATIONS FROM MULTIPLE INSPECTIONS AT THE ROADSIDE DURING THE LAST 24 MONTHS THAT ARE REFLECTED IN THE (UNSAFE DRIVING) BASIC OF THE CARRIER SAFETY MANAGEMENT SYSTEM. OPERATING A MOTOR VEHICLE NOT IN ACCORDANCE WITH THE LAWS, ORDINANCES, AND REGULATIONS OF THE JURISDICTION IN WHICH IT IS BEING OPERATED. MR. FERGUSON COMPLAINED THAT HIS TRUCKS WERE BEING STOPPED FOR JUST A FEW MILES AN HOUR OVER THE SPEED LIMIT. I SHOWED HIM RECENT COPY OF HIS COMPANY PROFILE IDENTIFYING STOPS FOR SPEED AS WELL AS FOLLOWING TOO CLOSELY AND VIOLATING TRAFFIC CONTROL DEVICES. PART 395.3(A) (2) REQUIRING OR PERMITTING A PROPERTY-CARRYING COMMERCIAL MOTOR VEHICLE DRIVER TO DRIVE AFTER THE END OF THE 14TH HOUR AFTER COMING ON DUTY. PART 395.8(E) FALSE REPORTS OF RECORDS OF DUTY STATUS. FOLLOW-ON ACTION: WHILE DOING THE COMPLIANCE REVIEW, I LOOKED AT ALL OF THE CARRIER INSPECTIONS WITH EMPHASIS ON THE DEFICIENCIES NOTED BY BASICS SAFETY INFORMATION. UNSAFE DRIVING AND HOURS OF SERVICE WERE

DISCUSSED WITH THE CEO. WHILE CONDUCTING THE CR AND EXAMINING THE INSPECTIONS, MR. FERGUSON ADMITTED THAT HE HAD PROBLEMS WITH THE DEFICIENCIES NOTED IN BASICS. MR. FERGUSON COMPLAINED THAT HIS TRUCKS WERE BEING STOPPED FOR JUST A FEW MILES AN HOUR OVER THE SPEED LIMIT. I SHOWED HIM RECENT COPY OF HIS COMPANY PROFILE IDENTIFYING STOPS FOR SPEED AS WELL AS FOLLOWING TOO CLOSELY AND VIOLATING TRAFFIC CONTROL DEVICES. MR. FERGUSON ADVISED THAT HE STILL THE ONLY PERSON ON STAFF THAT COULD ADEQUATELY MONITOR THE RODS. HE STATED THAT HE HAD HAD CLASSES WITH THE DRIVERS THAT HAD HAD PROBLEMS, AND HAD NOT HAD THE NUMBERS OF PROBLEMS AS SEEN DURING THE ORIGINAL AUDIT. MR. FERGUSON ALSO STATED THAT HE HAD HAD A HEART ATTACK 5 WEEKS AGO AND HAD TO HAVE 5 STENTS PUT INTO HIS HEART. I AGAIN STRESSED TO HIM THAT HE NOT BE THE ONLY ONE THAT TACKLES THE RODS AND TO TEACH SOMEONE ELSE TO MONITOR THEM. HE AGREED THAT IF HE AGAIN HAD HEALTH PROBLEMS THERE WOULD BE NO ONE TO MONITOR THE RODS. DOCUMENTS PROVIDED TO THE CARRIER: . THE INDIANA DEPARTMENT OF REVENUE WAS CONTACTED AND THE FOLLOWING INFORMATION WAS OBTAINED FROM SANDY BOWLING. THE US DOT NUMBER OF 501313 WAS REGISTERED WITH THE STATE OF INDIANA AS AUTHORIZED FOR HIRE INTERSTATE CARRIER. THE UCR IS UP TO DATE. THE CARRIER WAS PROVIDED WITH PRINTED SECTIONS OF THE FMCSR'S. ALL DOCUMENTS USED FOR THIS REVIEW WERE PROVIDED BY THE CARRIER THIS COMPLIANCE REVIEW WAS STARTED AND FINISHED ON 12/07/2011.

**The carrier's Safer Driver Out of Service rate is (b) (6) The national average is 5.51%.**

**The carrier has not demonstrated a sustained effort to comply with the Federal Motor Carrier Safety regulations. The carrier's CSA data for the last 6 months in Part 395 shows that the carrier has not made improvements regarding hours of service, even though the focused Compliance Review in PART 395 shows that some improvements were made. The carrier has also failed to submit a monthly log violation report for the previous 5 months that could justify the upgrade if in fact improvements were made. The only violation report was completed for the month of May which was prior to the first Compliance Review in June.**

**The carrier does not have sufficient management controls in place to comply with the Federal Motor Carrier Safety regulations.**

We believe that these **are not sufficient** to correct the deficiencies discovered during the compliance review.

We evaluated the carrier's degree of compliance with the safety fitness standards listed in 49 CFR section 385.5 and the factors to be considered in determining a safety rating listed in 49 CFR section 385.7.

We reviewed the carrier's current CSA scores and profile data, including any and all problem indicators.

Should you have any questions or concerns, please feel free to contact me at 317-226-7523 or via e-mail at [kenneth.strickland@dot.gov](mailto:kenneth.strickland@dot.gov).