



NEWS RELEASE

Environmental Law Foundation

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Lawsuit says bus company violated SF School District contract: Laidlaw provided unsafe, polluting buses

SAN FRANCISCO, CA. – A lawsuit was unveiled in San Francisco against Laidlaw Transit, Inc. for violating its contract with the San Francisco Unified School District, alleging Laidlaw operates unsafe and polluting buses. The suit was filed by two former mechanics at Laidlaw and joined by the Environmental Law Foundation. The mechanics, William Padilla and Manuel Contreras, testified last year in another lawsuit that Laidlaw has had poor maintenance practices for years, and that it falsified repair records, kept unsafe buses in service, faked pollution tests and did not meet the District's stringent standards for emissions and pollution control equipment on the school buses. Safety claims include faulty brakes, leaking fuel and cracked tailpipes.

The Environmental Law Foundation has asked Dallas-based law firm Baron & Budd, P.C. to represent it in the action, because of Baron & Budd's past work for ELF and its outstanding reputation in protecting consumers and public health.

The lawsuit was filed in May 2007 but has been kept under seal by the court until the District could decide whether to join the suit. The District at a closed meeting in late January of this year decided to let the whistleblowers proceed alone. The decision has nothing to do with the lawsuit's merits. Under the law, the court can award the whistleblowers up to 50% of the amount recovered for the District. The law, called the False Claims Act, permits a penalty of up to \$10,000 for each false claim. The District has been billed monthly by Laidlaw for each of the ten years covered by the lawsuit, so penalties can reach \$1,200,000. In addition, the law awards triple damages. Since the contract has been worth approximately \$15 million for each of the ten years covered, the penalties and damages could total half a billion dollars.

Contreras and Padilla were mechanics for Laidlaw for nearly 20 years. While repeatedly objecting to and protesting demands that they falsify inspection and repair records, the workers were threatened with sanctions and termination if they did not comply. Mr. Contreras reported to the California Highway Patrol that Laidlaw was operating unsafe school buses and to the United States Environmental Protection Agency about fuel spills. The employees left Laidlaw in late 2006 and continue to work as mechanics.

The ENVIRONMENTAL LAW FOUNDATION is a California nonprofit organization founded on Earth Day in 1991. ELF works to enforce the law to protect the environmental and public

health. ELF is currently involved in another lawsuit against Laidlaw involving diesel emissions under California's pioneering "right to know" law, Proposition 65. For more information: www.envirolaw.org.

For 30 years, the law firm of BARON & BUDD, P.C. has championed the rights of people and communities harmed by corporate misconduct. With more than 50 attorneys and offices in California, Texas and Louisiana, Baron & Budd enjoys a national reputation as a leader of the plaintiffs' bar. The firm represents individuals who have been injured by exposure to occupational and environmental exposures to toxins, water providers seeking clean-up costs for drinking water contamination; government entities and whistleblowers fighting corporate fraud; securities investors defrauded by corporate wrongdoing and consumers in class actions. For more information, see www.baronandbudd.com.

Laidlaw was purchased last year by First Student, a British transportation company.

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