

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 10,347

IN THE MATTER OF:

Served March 23, 2007

SPECIAL PEOPLE TRANSPORTATION, LLC, )  
Suspension and Investigation of )  
Revocation of Certificate No. 953 )

Case No. MP-2006-103

This matter is before the Commission on respondent's response to Order No. 9849, served August 18, 2006.

**I. BACKGROUND**

Under the Compact, a WMATC carrier may not engage in transportation subject to the Compact if the carrier's certificate of authority is not "in force."<sup>1</sup> A certificate of authority is not valid unless the holder is in compliance with the Commission's insurance requirements.<sup>2</sup>

Commission Regulation No. 58 requires respondent to insure the revenue vehicles operated under Certificate No. 953 for a minimum of \$1.5 million in combined-single-limit liability coverage and maintain on file with the Commission at all times proof of coverage in the form of a WMATC Certificate of Insurance and Policy Endorsement (WMATC Insurance Endorsement) for each policy comprising the minimum.

Certificate No. 953 was rendered invalid on June 26, 2006, when the \$1.5 million primary WMATC Insurance Endorsement on file for respondent terminated without replacement. Order No. 9688 noted the automatic suspension of Certificate No. 953 pursuant to Regulation No. 58-02, directed respondent to cease transporting passengers for hire under Certificate No. 953, and gave respondent thirty days to replace the cancelled endorsement or face revocation of Certificate No. 953. Respondent submitted a \$1.5 million primary WMATC Insurance Endorsement on July 31, 2006. The effective date of the new endorsement is July 25, 2006. This means that respondent was without insurance coverage for twenty-nine days, from June 26, 2006, through July 24, 2006.

Under Commission Rule No. 28, respondent is required to verify that it ceased transporting passengers for hire under Certificate No. 953 as directed by Order No. 9688. Accordingly, Order No. 9849 directed respondent to verify, within thirty days, that it ceased operations as of June 26, 2006. Inasmuch as respondent's general tariff covers service rendered to the general public and to clients of

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<sup>1</sup> Compact, tit. II, art. XI, § 6(a).

<sup>2</sup> Compact, tit. II, art. XI, § 7(g).

the District of Columbia Department of Health, Medical Assistance Administration (DC Medicaid), respondent's verification was to be corroborated by evidence from respondent's general business records<sup>3</sup> and by confirmation from DC Medicaid.

## II. RESPONSE AND DIRECTION TO SHOW CAUSE

In response to Order No. 9849, respondent filed a signed statement, a letter from a client stating that respondent ceased operations on its behalf, four bank statements, and two days of trip records. On the whole, however, respondent has failed to materially comply with the directives of Order No. 9849.

Respondent filed a signed statement on September 6, 2006, but that statement stops short of a clear declaration that respondent ceased operating in compliance with Order No. 9688. Instead, respondent seems to suggest that it continued operations while suspended when by stating "[L]ogisticare Inc. is the company which provided Job and Itineraries and reduce it lot for one job per day or two jobs per week... (sic)."

A signed letter from Logisticare Solutions LLC, (Logisticare) verifies that respondent did not perform any transportation services for Logisticare from June 25, 2006, until August 1, 2006. This indicates that respondent was not operating for a major client during the period when it lacked insurance, but does not exclude the possibility that respondent resumed operations for Logisticare in August, despite its continued suspended status.

Respondent failed to produce a letter from DC Medicaid, as directed, verifying that it did not operate during the relevant period.

In response to our broad request in Order No. 9849 for respondent's business records covering a four month period, including almost three months during which respondent was authorized to operate, respondent produced four bank statements and trip lists covering two days of operations (May 2<sup>nd</sup> and May 3<sup>rd</sup>, 2007). Respondent produced bank statements from April, May, June, and August, 2006, but did not produce any bank statement covering July, 2006; a critical period due to the fact that respondent was uninsured for twenty-six days of that month.

Respondent lists only eight passenger trips performed from April 1, 2006, until August 18, 2006. The paucity of these trip records cannot be reconciled with evidence from respondent's bank

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<sup>3</sup> Order No. 9849 stated that respondent's business records were to include all: (a) customer contracts and invoices; (b) invoices from other carriers; (c) calendars and itineraries; (d) bank and payroll records; (e) insurance documents; (f) advertising materials; and (g) income tax and personal property returns, relating to the transportation of passengers for hire between points in the Metropolitan District during the period beginning April 11, 2006, and ending August 18, 2006.

statements showing the purchase of tires, oil, auto parts, and fuel, in April and June, 2006, which demonstrate respondent was operating vehicles during that time.

The Commission has broad powers to conduct investigations, and may subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, contracts, agreements, or other records or evidence which the Commission considers relevant to the inquiry.<sup>4</sup> Respondent's failure to submit: (a) verification that it ceased operating; (b) a statement from DC Medicaid verifying that respondent ceased operating; and (c) certain requested business records simply does not establish full compliance with the Commission's request for information in this investigation.

In light of respondent's failure to materially comply with Order No. 9849, we will give respondent thirty days to show cause why the Commission should not assess a civil forfeiture and/or revoke Certificate No. 953.

THEREFORE, IT IS ORDERED:

1. That respondent shall have thirty days to show cause why the Commission should not assess a civil forfeiture against respondent for knowingly and willfully violating Commission Rule No. 28 and Commission Order No. 9849.

2. That respondent shall have thirty days to show cause why the Commission should not revoke Certificate No. 953 for respondent's willful failure to comply with Commission Rule No. 28 and Commission Order No. 9849.

3. That respondent may submit within 15 days from the date of this order a written request for oral hearing, specifying the grounds for the request, describing the evidence to be adduced and explaining why such evidence cannot be adduced without an oral hearing.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS YATES AND CHRISTIE:



William S. Morrow, Jr.  
Executive Director

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<sup>4</sup> Compact, tit. II, art. XIII, § (e).