

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

SILVER SPRING, MARYLAND

ORDER NO. 19,595

IN THE MATTER OF:

Served November 2, 2021

TREMMAS INC, Suspension and )  
Investigation of Revocation of )  
Certificate No. 3276 )

Case No. MP-2020-012

TREMMAS INC, Suspension and )  
Investigation of Revocation of )  
Certificate No. 3276 )

Case No. MP-2020-189

This matter is before the Commission on respondent's responses to Order No. 18,631, served January 24, 2020, in Case No. MP-2020-012 and to Order No. 19,206, served January 11, 2021, in Case No. MP-2020-189.

**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. 3276 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.

**A. Case No. MP-2020-012**

Certificate No. 3276 was rendered invalid on January 16, 2020, when the \$1.5 million primary WMATC Insurance Endorsement on file for respondent terminated without replacement. Order No. 18,616, served January 16, 2020, noted the automatic suspension of Certificate No. 3276 pursuant to Regulation No. 58-12, directed respondent to cease transporting passengers for hire under Certificate No. 3276, and gave respondent 30 days to replace the terminated endorsement and pay the \$100 late fee due under Regulation No. 67-03(c) or face revocation of Certificate No. 3276.

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

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

Respondent thereafter paid the late fee and submitted a \$1.5 million primary WMATC Insurance Endorsement, and the suspension was lifted in Order No. 18,631, served January 24, 2020. However, because the effective date of the new endorsement was January 17, 2020, instead of January 16, 2020, leaving a 1-day gap in required insurance coverage, the order gave respondent 30 days to verify cessation of operations as of January 16, 2020, in accordance with Regulation No. 58-14. The statement was to be corroborated by copies of respondent's pertinent business records and a statement from Medical Transportation Management, Inc., (MTM), respondent's principal client of record at the time.

On February 14, 2020, respondent produced a statement of its manager, Samuel Ale, asserting that respondent ceased operations but admitting that respondent resumed operations with MTM on January 23, 2020, while Certificate No. 3276 was still suspended. Respondent's statement is corroborated by a letter dated February 3, 2020, from MTM, which confirms that respondent resumed operations in the network on January 23, 2020.

**B. Case No. MP-2020-189**

Certificate No. 3276 was rendered invalid on October 9, 2020, when the \$1.5 million primary WMATC Insurance Endorsement on file for respondent terminated without replacement. Order No. 19,029, served October 9, 2020, noted the automatic suspension of Certificate No. 3276 pursuant to Regulation No. 58-12, directed respondent to cease transporting passengers for hire under Certificate No. 3276, and gave respondent 30 days to replace the terminated endorsement and pay the \$100 late fee due under Regulation No. 67-03(c) or face revocation of Certificate No. 3276.

Respondent did not respond, and Certificate No. 3276 was revoked in Order No. 19,143, on November 12, 2020, pursuant to Regulation No. 58-15(a). Respondent thereafter submitted the necessary insurance endorsement(s), paid the late fee, and filed a timely application for reconsideration of Order No. 19,143, and Certificate No. 3276 was reinstated in accordance with Regulation No. 58-15(b) in Order No. 19,174, served December 8, 2020.

However, respondent's replacement endorsement did not take effect until December 4, 2020, instead of October 9, 2020, leaving a 56-day gap in required insurance coverage. Order No. 19,174 accordingly directed respondent to submit a statement verifying cessation of operations as of October 9, 2020, in accordance with Regulation No. 58-14(a). The statement was to be corroborated by copies of respondent's pertinent business records from July 1, 2020, to December 8, 2020, and a statement from MTM. Respondent failed to respond.

Order No. 19,206, served January 11, 2021, accordingly gave respondent 30 days to show cause why the Commission should not assess a civil forfeiture against respondent, and/or suspend or revoke Certificate No. 3276, for knowingly and willfully violating Regulation No. 58 and the orders issued in Case No. MP-2020-189.

On January 25, 2021, respondent submitted a statement from its manager, Samuel Ale, in which he states that respondent ceased operations on October 8, 2020, because MTM terminated their contract. The statement is accompanied by a copy of a letter from MTM dated October 6, 2020, which states that MTM terminated its agreement with respondent effective November 9, 2020. In addition, respondent submitted copies of respondent's bank statements for October 2019, December 2019, July 2020, August 2020, September 2020, and November 2020. Lastly, respondent submitted spreadsheets containing payment information for MTM invoices 431293 through 469519.

## **II. FINDINGS**

In Case No. MP-2020-012, we find that respondent operated on January 23, 2020, while respondent was fully insured but Certificate No. 3276 was suspended.

In Case No. MP-2020-189, we find respondent's belated response to be incomplete in several respects. First, respondent's statement asserts that "we did not conduct any operations in the Metropolitan [D]istrict from October 9<sup>th</sup>, 2020 till date," but the statement itself is undated, leaving ambiguous the duration of respondent's cessation of operations. Respondent's response thus falls short of complying with the clear directive in Order No. 19,174 to state whether it conducted any operations in the Metropolitan District from October 9, 2020, to December 8, 2020." Second, the MTM termination letter produced by respondent states respondent's transportation services agreement was terminated effective November 9, 2020. While the letter constitutes evidence that respondent did not perform trips for MTM after that date, respondent has failed to produce a statement from MTM verifying cessation of operations from October 9, 2020, to November 9, 2020, as directed in Order No. 19,174. Third, respondent failed to produce bank statements for October 2020 and December 2020. Fourth, respondent failed to produce any MTM daily trip logs and the remittance advice spreadsheet printouts containing payment information that respondent submitted were formatted in such a manner that most trip dates and many invoice and payment dates were not visible. This makes it impossible to link the payments received by respondent from MTM to the specific dates on which the trips were performed, leaving open the possibility that respondent operated while uninsured and suspended. Consequently, respondent has not produced all relevant records as required by Regulation No. 58-14(a).

## **III. ASSESSMENT OF FORFEITURE AND REVOCATION OF AUTHORITY**

A person who knowingly and willfully violates a provision of the Compact, or a rule, regulation, requirement, or order issued under it, or a term or condition of a certificate shall be subject to a civil forfeiture of not more than \$1,000 for the first violation and not more than \$5,000 for any subsequent violation.<sup>3</sup>

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<sup>3</sup> Compact, tit. II, art. XIII, § 6(f).

The Commission may suspend or revoke all or part of any certificate of authority for willful failure to comply with a provision of the Compact, an order, rule, or regulation of the Commission, or a term, condition, or limitation of the certificate.<sup>4</sup>

The term "knowingly" means with perception of the underlying facts, not that such facts establish a violation.<sup>5</sup> The terms "willful" and "willfully" do not mean with evil purpose or criminal intent; rather, they describe conduct marked by intentional or careless disregard or plain indifference.<sup>6</sup>

We shall assess a civil forfeiture of \$250 against respondent for operating on January 23, 2020, while suspended but not while uninsured.<sup>7</sup>

Because respondent has (1) failed to verify whether it ceased transporting passengers in the Metropolitan District from October 9, 2020, to December 8, 2020; (2) failed to produce all relevant business records as required by Regulation No. 58-14(a) and directed by Order No. 19,174; and (3) offered no explanation for these failures, we find that respondent has failed to show cause why the Commission should not assess a civil forfeiture of \$250 and revoke Certificate No. 3276.<sup>8</sup>

THEREFORE, IT IS ORDERED:

1. That Case Nos. MP-2020-012 and MP-2020-189 are hereby consolidated pursuant to Commission Rule No. 20-02.

2. That pursuant to Article XIII, Section 6(f), of the Compact, the Commission hereby assesses a civil forfeiture against respondent in the amount of \$250 for knowingly and willfully violating Article XI, Section 6(a), of the Compact, Regulation No. 58-12, and Order No. 18,616.

3. That pursuant to Article XIII, Section 6(f), of the Compact, the Commission hereby assesses a civil forfeiture against respondent in the amount of \$250 for knowingly and willfully violating Regulation No. 58-14(a) and Order No. 19,174.

4. That pursuant to Article XI, Section 10(c), of the Compact, Certificate of Authority No. 3276 is hereby revoked for respondent's

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<sup>4</sup> Compact, tit. II, art. XI, § 10(c).

<sup>5</sup> *In re Easy Transp., LLC*, No. MP-18-111, Order No. 19,460 (July 28, 2021).

<sup>6</sup> *Id.*

<sup>7</sup> See *In re Am. Eagle Limo. & Travel Serv., Inc.*, No. MP-16-013, Order No. 16,724 (Dec. 7, 2016) at 4 (assessing \$250 civil forfeiture per day of operating while suspended but not while uninsured).

<sup>8</sup> See Order No. 19,460 (assessing \$250 civil forfeiture and revoking authority for failing to produce verification and documents); *Daniel M Manna, t/a Daniel Manna Limo Serv.*, No. MP-14-027, Order No. 15,590 (May 15, 2015) (same, where verification did not account for entire suspension period).

willful failure to comply with Regulation No. 58-14(a) and Order No. 19,174.

5. That within 30 days from the date of this order respondent shall:

- a. pay to the Commission by check or money order the sum of five hundred dollars (\$500);
- b. remove from respondent's vehicle(s) the identification placed thereon pursuant to Commission Regulation No. 61;
- c. file a notarized affidavit with the Commission verifying compliance with the preceding requirement; and
- d. surrender Certificate No. 3276 to the Commission.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS HOLCOMB, RICHARD, AND LOTT:



Jeffrey M. Lehmann  
Executive Director