

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 7278

IN THE MATTER OF:

Served June 30, 2003

CENTRAL AFRICAN WOMEN EMPOWERMENT)
ORGANIZATION CORP., Trading as)
CAWEO TRANSPORTATION SERVICES,)
WMATC No. 558, Investigation of)
Tariff and Lease Violations)

Case No. MP-2003-65

This investigation is being initiated to determine whether respondent has violated the Compact and Commission regulations by providing contract passenger service in the Metropolitan District using non-owned vehicles without having filed any contract tariffs and without having filed any leases.

Commission Regulation No. 58 requires respondent to insure the revenue vehicles operated under Certificate No. 558 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.

On June 6, 2002, the Commission received a \$4 million excess WMATC Insurance Endorsement in respondent's name to accompany the \$1 million primary already on file. When questioned as to why respondent had obtained \$5 million in liability coverage when the minimum required under Regulation No. 58 is only \$1.5 million, respondent's vice president, Emma Osong, replied that respondent was under a contractual commitment to one of its clients, LogistiCare,¹ to maintain the higher level of insurance. Commission staff advised respondent to file the LogistiCare contract as a tariff.² Respondent did not reply.

¹ LogistiCare Solutions, LLC, WMATC Carrier No. 524, has a contract with the Washington Metropolitan Area Transit Authority to operate a transportation service for disabled passengers under the name "MetroAccess." LogistiCare primarily operates a reservation system and subcontracts the bulk of the transportation function to other carriers.

² Article XI, Section 14, of the Compact and Commission Regulation No. 55, require each WMATC carrier to charge only those rates and fares specified in a tariff filed by the carrier under the Compact and in effect at the time.

On July 24, 2002, Commission staff wrote to respondent advising respondent that the DC Medical Assistance Administration had informed the Commission that respondent was transporting passengers under a contract with the Mental Retardation and Developmental Disabilities Administration. Commission staff advised respondent to promptly file a contract tariff. Respondent did not reply.

On August 7, 2002, Commission staff wrote to respondent advising respondent that the Commission had been informed that respondent was transporting passengers under a contract with AMERIGROUP. Commission staff advised respondent to promptly file a contract tariff. Respondent did not reply.

On December 16, 2002, the Commission received a list of carriers operating under contracts with LogistiCare. Respondent's name was on the list. Commission staff advised respondent to file a contract tariff, and any applicable leases,³ no later than January 10, 2003. Respondent filed a LogistiCare contract tariff on January 13, 2003. The tariff was rejected as incomplete on January 16, 2003. Respondent has yet to file a corrected LogistiCare contract tariff and has yet to file any leases.⁴

The Commission may investigate whether a person has violated the Compact and for the purpose of an investigation "may administer oaths and affirmations, 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."⁵ In addition, the Commission "shall have access at all times to the accounts, records, memoranda, lands, buildings, and equipment of any carrier for inspection purposes."⁶

If the Commission finds a person has violated the Compact, the Commission shall issue an order compelling compliance and effecting other just and reasonable relief.⁷ A person who knowingly and willfully violates a provision of the Compact is subject to a civil forfeiture of not more than \$1,000 for the first violation and not more than \$5,000 for each subsequent violation.⁸ Each day of the

³ In most cases, LogistiCare furnishes the vehicles. Regulation No. 62-02 requires each WMATC carrier to file a lease with the Commission for each non-owned vehicle.

⁴ A list of vehicles obtained from respondent's insurance company includes two Ford Crown Victorias, the type of vehicle that LogistiCare furnishes its subcontractors.

⁵ Compact, tit. II, art. XIII, § 1(c), (e).

⁶ Compact, tit. II, art. XII, § 1 (b).

⁷ Compact, tit. II, art. XIII, § 1(d).

⁸ Compact, tit. II, art. XIII, § 6(f).

violation counts as a separate violation.⁹ The Commission may suspend or revoke a certificate of authority for willful failure to comply with the Compact or Commission rule, regulation or order thereunder.¹⁰

We shall direct respondent to produce any and all records and documents in its possession, custody or control relating to transportation of passengers for hire between points in the Metropolitan District during the period beginning June 1, 2002, and ending on the date of this order. We also shall direct respondent to present its vehicles for inspection.

THEREFORE, IT IS ORDERED:

1. That an investigation of respondent and its operations in the Washington Metropolitan Area Transit District is hereby initiated under Article XIII, Section 1, of the Compact.

2. That respondent is hereby directed to immediately bring its operations into compliance with the Compact and Commission regulations.

3. That respondent is hereby directed to produce, within thirty days from the date of this order, any and all books, papers, correspondence, memoranda, contracts, agreements, and other records and documents, including any and all stored electronically, that are within respondent's possession, custody or control and which relate to the transportation of passengers for hire between points in the Metropolitan District during the period beginning June 1, 2002, and ending on the date of this order, including, but not limited to any and all:

- a. customer contracts and invoices;
- b. invoices from other carriers;
- c. evidence of communications, including telephone logs, facsimile transmissions, and correspondence;
- d. calendars and itineraries;
- e. bank records;
- f. payroll records;
- g. insurance documents;
- h. advertising materials;

⁹ Compact, tit. II, art. XIII, § 6(f).

¹⁰ Compact, tit. II, art. XI, § 10(c).

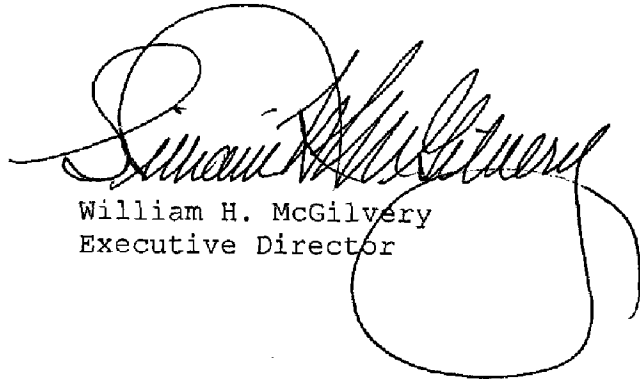
- i. internal corporate documents, such as articles of incorporation, bylaws, and minutes;
- j. income tax and personal property returns; and
- k. USDOT Forms MCS-150.

4. That within thirty days from the date of this order, respondent shall present its vehicles for inspection by Commission staff.

5. That Certificate of Authority No. 558 shall be automatically suspended upon respondent's failure to timely comply with this order.

6. That in the event Certificate of Authority No. 558 is suspended pursuant to the preceding paragraph, respondent shall have thirty days thereafter to show cause why Certificate of Authority No. 558 should not be revoked for willful failure to comply with the requirements of this order.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS YATES, MILLER, AND MCDONALD:



William H. McGilvery
Executive Director