

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

NOTICE OF PENALTIES INCURRED AND DUE  
FOR VIOLATIONS OF LAWS AND RULES

PENALTY ASSESSMENT: TV-190410

PENALTY AMOUNT: \$11,000

People Movers LLC  
d/b/a People Movers Seattle  
11808 NE 160th Street  
Bothell, WA 98011

The Washington Utilities and Transportation Commission (Commission) believes People Movers LLC d/b/a People Movers Seattle (People Movers or Company) committed violations of Washington Administrative Code (WAC) 480-15-555, Criminal Background Checks for Prospective Employees; WAC 480-15-560, Equipment Safety Requirements, which adopts Title 49 Code of Federal Regulations (CFR) Part 396 – Inspection, Repair, and Maintenance; and WAC 480-15-570, Driver Safety Requirements, which adopts Title 49 CFR Part 391 – Qualifications of Drivers and Title 49 CFR Part 395 – Hours of Service of Drivers.

Revised Code of Washington (RCW) 81.04.405 allows penalties of \$100 for each violation. In the case of an ongoing violation, every day's continuance is considered a separate and distinct violation.

On May 21, 2019, Commission Motor Carrier Investigator Edward Steiner completed a routine safety investigation of People Movers and documented the following violations:

- **Eight violations of WAC 480-15-555 – Failing to acquire a criminal background check for prospective employees.** The Company failed to acquire criminal background checks for eight prospective employees: Yurii Nadtochii, Radzhy Guseinov, Yehor Melnyk, Victor Lisan, Bavarto Tsarenov, Andrei Garmaev, Mikhail Lupsanov, and Nikita Yarina.
- **Ninety-nine violations of Title 49 CFR 391.45(a) – Using a driver not medically examined and certified.** The Company allowed its drivers Yurii Nadtochii, Radzhy Guseinov, Yehor Melnyk, and Victor Lisan to drive without having been medically examined and certified on 99 occasions during the six months preceding the safety investigation.
- **Four violations of Title 49 CFR 391.51(a) – Failing to maintain driver qualification file on each driver employed.** People Movers failed to maintain driver qualification files for drivers Yurii Nadtochii, Radzhy Guseinov, Yehor Melnyk, and Victor Lisan.
- **One hundred twenty violations of Title 49 CFR 395.8(a)(1) – Failing to require a driver to prepare a record of duty status.** People Movers allowed drivers Yurii Nadtochii, Radzhy Guseinov, and Yehor Melnyk to drive without making a record of duty status on 90 occasions between March 1, 2019, and March 30, 2019. The Company

allowed driver Victor Lisan to drive without making a record of duty status on 30 occasions between December 1, 2018, and December 30, 2018.

- **Three violations of Title 49 CFR 396.3(b) – Failing to keep minimum records of inspection and vehicle maintenance.** The Company failed to maintain minimum records of inspection and vehicle maintenance for its three commercial motor vehicles.

The Commission considered the following factors in determining the appropriate penalties for these violations:

1. **How serious or harmful the violations are to the public.** The violations noted are serious and potentially harmful to the public. Companies that: 1) fail to conduct criminal background checks on their employees, 2) use drivers that are not medically examined and certified, 3) fail to maintain driver qualification records, 4) fail to create records of duty status, and 5) fail to maintain minimum records of inspection and vehicle maintenance put their customers as well as the traveling public at risk. These violations present serious safety concerns.
2. **Whether the violations were intentional.** Considerations include:
  - Whether the company ignored Commission staff's (Staff) previous technical assistance; and
  - Whether there is clear evidence through documentation or other means that shows the company knew of and failed to correct the violation.

On February 15, 2017, the Commission received the Company's application for household goods moving authority. In the application, Sergey Kogay, owner of People Movers, acknowledged the Company's responsibility to understand and comply with applicable motor carrier safety rules.

On May 18, 2017, Elena Kogay, owner of People Movers, attended household goods training provided by Staff and acknowledged receiving training regarding motor carrier safety regulations.

The Company knew or should have known about these requirements.

3. **Whether the company self-reported the violations.** The Company did not self-report these violations.
4. **Whether the company was cooperative and responsive.** People Movers was cooperative and responsive throughout the investigation.
5. **Whether the company promptly corrected the violations and remedied the impacts.** Staff does not know if People Movers has corrected these violations.
6. **The number of violations.** Staff identified 12 violation types with a total of 244 individual occurrences.

7. **The number of customers affected.** The Company employs three drivers and operates three commercial motor vehicles. In 2018, the Company traveled 31,000 miles. A significant number of customers, as well as members of the traveling public, were potentially affected by these safety violations.
8. **The likelihood of recurrence.** The Commission does not know if People Movers is likely to repeat these safety violations.
9. **The company's past performance regarding compliance, violations, and penalties.** This is the Company's first routine safety investigation. People Movers has no history of penalties.
10. **The company's existing compliance program.** Sergey Kogay, owner of People Movers, is responsible for the Company's safety compliance program.
11. **The size of the company.** People Movers is a small company that employs three drivers and operates three commercial motor vehicles. The Company reported \$168,000 in gross revenue for 2018.

The Commission's Enforcement Policy provides that some Commission requirements are so fundamental to safe operations that the Commission will issue mandatory penalties for each occurrence of a first-time violation.<sup>1</sup> The Commission generally will assess penalties per type of violation, rather than per occurrence, for first-time violations of those critical regulations that do not meet the requirements for mandatory penalties. The Commission will assess penalties for any equipment violation meeting the Federal Motor Carrier Safety Administration's "out-of-service" criteria and also for repeat violations of critical regulations, including each occurrence of a repeat violation.

The Commission has considered these factors and determined that it should penalize People Movers \$11,000 for violations of WAC 480-15-555, Criminal Background Checks for Prospective Employees; WAC 480-15-560, Equipment Safety Requirements, which adopts Title 49 CFR Part 396 – Inspection, Repair, and Maintenance; and WAC 480-15-570, Driver Safety Requirements, which adopts Title 49 CFR Part 391 – Qualifications of Drivers and Title 49 CFR Part 395 – Hours of Service of Drivers, calculated as follows:

- Eight violations of WAC 480-15-555 – Failing to acquire a criminal background check for prospective employees. The Commission assesses a penalty of \$100 for each occurrence of this critical violation, for a total of \$800.
- Ninety-nine violations of Title 49 CFR 391.45(a) – Using a driver not medically examined and certified. The Commission assesses a penalty of \$100 for each occurrence of this critical violation, for a total of \$9,900.

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<sup>1</sup> Docket A-120061 – Enforcement Policy of the Washington Utilities & Transportation Commission – Section V.

- Four violations of Title 49 CFR 391.51(a) – Failing to maintain driver qualification file on each driver employed. The Commission assesses a “per category” penalty of \$100 for four occurrences of this first-time critical violation.
- One hundred twenty violations of Title 49 CFR 395.8(a)(1) – Failing to require a driver to prepare a record of duty status using the appropriate method. The Commission assesses a “per category” penalty of \$100 for 120 occurrences of this first-time critical violation.
- Three violations of Title 49 CFR 396.3(b) – Failing to keep minimum records of inspection and vehicle maintenance. The Commission assesses a “per category” penalty of \$100 for three occurrences of this first-time critical violation.

This information, if proven at a hearing and not rebutted or explained, is sufficient to support the penalty assessment.

Your penalty is due and payable now. If you believe any or all of the violations did not occur, you may deny committing the violation(s) and contest the penalty through evidence presented at a hearing or in writing. Alternatively, if there is a reason for any or all of the violations that you believe should excuse you from the penalty, you may ask for mitigation (reduction) of the penalty through evidence presented at a hearing or in writing. The Commission will grant a request for hearing only if material issues of law or fact require consideration of evidence and resolution in a hearing. Any request to contest the violation(s) or for mitigation of the penalty must include a written statement of the reasons supporting that request. Failure to provide such a statement will result in denial of the request. *See* RCW 81.04.405.

If you properly present your request for a hearing and the Commission grants that request, the Commission will review the evidence supporting your dispute of the violation(s) or application for mitigation in a Brief Adjudicative Proceeding before an administrative law judge. The administrative law judge will consider the evidence and will notify you of his or her decision.

**You must act within 15 days after receiving this notice** to do one of the following:

- Pay the amount due.
- Contest the occurrence of any or all of the violations.
- Request mitigation to contest the amount of the penalty.

Please indicate your selection on the enclosed form and submit it electronically through the Commission’s web portal **within FIFTEEN (15) days** after you receive this notice. If you are unable to use the web portal, you may submit it via email to records@utc.wa.gov. If you are unable to submit the form electronically, you may send a paper copy to the Washington Utilities and Transportation Commission, PO Box 47250, Olympia, Washington 98504-7250.

**If you do not act within 15 days**, the Commission may take additional enforcement action, including but not necessarily limited to suspending or revoking your certificate to provide regulated service, assessing additional penalties, or referring this matter to the Office of the Attorney General for collection.

DATED at Olympia, Washington, and effective June 18, 2019.

*/s/ Rayne Pearson*  
RAYNE PEARSON  
Director, Administrative Law Division

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
PENALTY ASSESSMENT TV-190410

**PLEASE NOTE:** You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed. I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

1. **Payment of penalty.** I admit that the violations occurred and enclose \$11,000 in payment of the penalty.

2. **Contest the violation(s).** I believe that the alleged violation(s) did not occur for the reasons I describe below (**if you do not include reasons supporting your contest here, your request will be denied**):

a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision.

OR  b) I ask for a Commission decision based solely on the information I provide above.

3. **Application for mitigation.** I admit the violations, but I believe that the penalty should be reduced for the reasons set out below (**if you do not include reasons supporting your application here, your request will be denied**):

a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision.

OR  b) I ask for a Commission decision based solely on the information I provide above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: \_\_\_\_\_ [month/day/year], at \_\_\_\_\_ [city, state]

\_\_\_\_\_  
Name of Respondent (company) – please print

\_\_\_\_\_  
Signature of Applicant

RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”