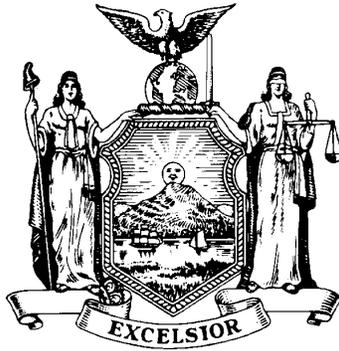


State of New York
Offices of the Inspector General



Review of New York State DOT's and DMV's
Compliance with 2020 Limousine Safety Laws
and Additional Recommendations Related to the
October 2018 Schoharie County Limousine Tragedy

October 2022

Lucy Lang
Inspector General

EXECUTIVE SUMMARY

On October 6, 2018, a stretch limousine¹ suffered brake failure while traveling downhill on New York State Route 30 in the Town of Schoharie, New York. Without the ability to slow or stop, the limousine² accelerated to over 100 mph, crossed through a T-intersection at the bottom of the hill into a parking lot and struck a parked vehicle, before barreling into a ravine where it came to rest after colliding with the embankment and several trees. Devastatingly, the crash killed all 17 passengers, the driver, and two pedestrians who had been standing near the parked vehicle. At the time of the incident, the limousine, which was owned by Prestige Limousine and Chauffeur Service³, was operating without legal authority and had numerous documented and unresolved safety issues, including various violations related to its brakes.

There were multiple investigations into the tragedy, including one conducted by the National Transportation Safety Board (NTSB)⁴, an independent federal agency with expertise in transportation safety matters. The NTSB, which issued a comprehensive report detailing its findings in September 2020, attributed the probable cause of the crash to Prestige's "egregious disregard for safety" in operating the limousine for a passenger charter despite known mechanical defects. Nauman Hussain, the manager of Prestige, is currently being prosecuted on charges of Manslaughter in the Second Degree and Criminally Negligent Homicide.

In its conclusions, the NTSB also cited shortfalls on the part of the New York State Department of Motor Vehicles (DMV) and Department of Transportation (DOT) as contributing factors to the crash. More specifically, the NTSB cited deficiencies in DMV's vehicle registration process and DOT's ineffective oversight of the limousine as having allowed its owner to skirt safety requirements and evade more rigorous inspection requirements while continuing to operate the vehicle.

¹ According to a Highway Accident Report issued by the National Transportation Safety Board (NTSB), the limousine involved in the crash was a 2001 Ford Excursion limousine that had been modified from its original eight passenger capacity to accommodate 18 passengers. For a comprehensive history of the limousine's structural alterations and registration history prior to its acquisition by the owner at the time of the crash, see NTSB Report, Section 1.5.2, accessible here: <https://www.nts.gov/investigations/AccidentReports/Reports/HAR2003.pdf>

² New York State Vehicle and Traffic Law currently defines the term "stretch" limousine as an altered (meaning with a chassis that was altered post-manufacture) motor vehicle having a seating capacity of nine or more passengers, including the driver, used in the business of transporting passengers for compensation. VTL § 375(54)(c)(i). The vehicle at issue here will be referred to interchangeably as a "limousine" or "stretch limousine."

³ Prestige, a Saratoga County-based company, is owned by Shahed Hussain, the father of Nauman Hussain. Prestige also conducted business under the names Hasy Limousine and Saratoga Luxury Limousine. For the purposes of this report, all three entities will be referred to as "Prestige."

⁴ The statutory authority and jurisdiction of the NTSB is defined by 49 U.S.C. § 1131.

Pursuant to its authority to investigate allegations of corruption, fraud, criminal activity, conflicts of interest, or abuse in State agencies, the Inspector General's Office thoroughly reviewed the NTSB's report and other material relating to the crash. The errors, oversights, and possible crimes committed by people and parties other than State actors, while myriad, are beyond the Inspector General's jurisdiction. The Inspector General accepts the findings of the NTSB report regarding the crash analysis, which the Inspector General has not duplicated, as any effort to retrace the NTSB's investigative steps looking into the mechanical contributions to the crash would result in an inefficient and inappropriate use of State resources.

The Inspector General also concurs with the NTSB finding that DOT and DMV failed to utilize all legal remedies available to them to bring Prestige into compliance with applicable laws and regulations. At the same time, however, the Inspector General found no evidence of misconduct or malfeasance on the part of any DOT or DMV employee, but rather significant gaps in policies, procedures and interagency communications that prevented Prestige's misconduct from being efficiently identified and addressed. The scope of the Inspector General's review is thus limited to three discrete areas not fully covered by the NTSB's report: (1) the statutory abilities of DOT and DMV to have collectively prevented or deterred Prestige from operating without authority prior to the crash; (2) the identification of missed opportunities on the part of DOT and DMV to better utilize their existing authority prior to the crash; and (3) the extent to which any deficiencies in DOT's or DMV's statutory authority have been remedied by revised agency practice or the provisions of the series of limousine safety laws passed by the New York State Legislature and signed into law in February 2020. The Inspector General has also evaluated DOT's and DMV's actions and plans of action for implementation and monitoring of the provisions of the new limousine safety laws and formulated a series of additional recommendations to further ensure the safe operation of limousines transporting passengers within New York State.

In New York State, DMV is responsible for vehicle registrations, licensing inspection stations, driver licensing, maintenance of driving records, issuance of titles, and administration of license plates. DMV is also responsible for registering all vehicles operating for commercial purposes, including limousines, but any for-hire vehicle that has been "stretched" or has a

passenger capacity over a certain threshold, unless it falls within an exemption⁵, must be inspected by DOT as part of DOT’s bus inspection program. Vehicles in this DOT program must be inspected by a certified DOT inspector every six months to obtain and maintain DOT operating authority. This heightened inspection requirement is generally identified at the time registration is sought for a vehicle through DMV.

The Inspector General found that Prestige made multiple false representations in each of its three DMV Registration Applications for the limousine between 2016 and 2018—failing to disclose that the vehicle was “modified” to change its registration classification and misrepresenting its seating capacity to fall below the then 15 passenger “bus” threshold—enabling the vehicle to be improperly registered by DMV without being subjected to the additional semi-annual DOT inspection protocol to obtain operating authority. Contributing to the ability of Prestige to successfully misrepresent the limousine in such a fashion was the fact that, as per its regular practice, DMV did not review the complete registration history or title record for the limousine at the time of its registration and re-registrations. Such a review would have revealed that under its previous ownership between 2001 and 2015, the limousine had been registered and re-registered multiple times with DMV as an 18-passenger limousine and been subjected to semi-annual DOT inspections as part of the bus inspection program. Additionally, as noted in the NTSB report, when Prestige attempted to re-register the limousine in 2018, DMV failed to note the discrepancy between the ten-passenger capacity indicated on the registration form and the insurance certificate submitted in connection with the registration that indicated a capacity of 16 passengers. As such, there were multiple opportunities for DMV to recognize the existence of significant inconsistencies, if not intentional misrepresentations, on the registration applications and the need for additional scrutiny as to whether the limousine required DOT operating authority. Notably, as of 2019, DMV has updated its registration application form to allow for better detection of misclassified vehicles.

Despite DMV not recognizing at the time that the limousine should be properly enrolled in the DOT bus inspection program, DOT itself became aware of the misclassification in June 2017, when a field inspector observed it parked at a commercial vehicle repair shop. While DOT did then immediately initiate a process to require Prestige to have the vehicle properly subjected

⁵ Vehicles falling under one of multiple exemptions in New York State Transportation Law § 151 do not require DOT operating authority and may be inspected at a DMV-licensed station upon the presentation of a DOT-issued “Exemption to NYSDOT Inspection Form Letter.”

to the bus inspection program, it did not inform DMV of the improper registration. Such notification could have led to a concurrent DMV administrative hearing and/or criminal investigation related to the falsified documentation, the suspension of registrations for Prestige's other limousines and ultimately, the seizure of their license plates.

After coming onto its radar in June 2017, DOT had extensive interaction with the limousine and its owner, including repeatedly providing instructions on obtaining DOT operating authority, sending e-mails regarding non-compliance, and, in August 2017, issuing a Notice of Violation for advertising the vehicle's availability as a for-hire limousine despite not having operating authority. A hearing date was set for this Notice of Violation in October 2017, but Prestige did not appear, which resulted in a default finding against them and a basis for DOT to subsequently direct that DMV issue an Order of Suspension or Revocation.⁶ Notably, any registration suspension requires due process, including notice to the registrant and an opportunity to be heard, as occurred here, but once a registration is suspended, the covered license plates and registration must be surrendered to DMV or they may be seized by law enforcement.

On February 20, 2018, DMV, upon DOT's direction, issued an Order of Suspension or Revocation against Prestige for the limousine. The next day, on February 21, 2018, rather than communicate to DMV the urgency of getting this limousine off the road, waiting for Prestige to surrender the limousine's license plates and registration, or law enforcement to seize them pursuant to their authority under Vehicle and Traffic Law section 510(7), DOT sent an offer of settlement to Prestige, proposing to reduce the civil fine to \$500 from \$5,000 in exchange for a plea of guilty. On March 6, 2018, Prestige accepted this offer and paid the \$500 fine, which then required DOT to notify DMV to lift the suspension, despite the vehicle still not being in compliance with DOT regulations. Notably, there existed other mechanisms by which DOT could have pursued a suspension on the basis that the vehicle was operating without DOT authority that need not have been lifted with the payment of a civil fine, but DOT did not pursue these options.

⁶ The authority of DOT to initiate the process for a registration to be suspended by DMV is derived from section 145(4) of the Transportation Law, which provides, in pertinent part, "the [DOT] commissioner may notify the commissioner of motor vehicles to that effect and the commissioner of motor vehicles *shall* thereupon suspend the registration or registrations of all motor vehicles owned or operated by such person or persons except private passenger automobiles until such time as the commissioner of transportation may give notice that the violation has been satisfactorily adjusted." (Emphasis added.)

In September 2018, shortly before the crash, DOT missed a second opportunity to pursue a suspension based upon Prestige's continued operation of the vehicle without DOT authority, choosing instead to again pursue suspension based upon civil fine provisions. More specifically, on September 14, 2018, after Prestige again failed to comply with an order to pay a fine issued on default, DMV, at the direction of DOT, issued a second Order of Suspension or Revocation. Again, Prestige was able to pay a \$500 fine and have the suspension lifted despite still not having operating authority.

Shortly after the crash, DOT and DMV undertook an initiative to review all New York State stretch limousine registrations. Stemming from this review, DOT directed that DMV suspend the registrations of certain stretch limousines and the New York State Police (NYSP) seize license plates from some of these limousines. This seizure of stretch limousine license plates across the State was unprecedented and a direct reaction to the Schoharie crash. This action appears to have been done without providing registrants notice and an opportunity to be heard, as is required by due process provisions in New York State law.

In February 2020, in response to the crash, New York State passed a series of limousine safety laws. One of these laws *directly* empowered DOT to immediately impound or immobilize stretch limousines that fail an inspection prior to a hearing. The laws also established a task force to review and make recommendations regarding stretch limousine passenger safety, required the creation of a hotline to report limousine safety concerns, mandated driver safety training programs, and placed various requirements on limousine owners and drivers (safety belts for all passengers, driver drug testing, etc.). The Inspector General found that these measures have been successfully implemented, including the creation of a New York State Stretch Limousine Passenger Safety Task Force, which submitted its final report and recommendations to the governor and legislature on September 30, 2022. The Inspector General has reviewed this report and endorses the recommendations that apply to the areas under the Inspector General's jurisdiction, including those concerning improved inter-agency communication and real time registration suspensions.

Critically, as a result of one of these new laws, whenever an "altered" motor vehicle, such as the limousine at issue here, has failed an inspection and been placed out-of-service, the DOT commissioner may immediately seize its license plates and must notify the DMV commissioner

to suspend its registration.⁷ Additionally, after seizure of the plates, if the DOT commissioner determines that allowing the owner to leave with the vehicle would be contrary to public safety, the vehicle may be impounded. DMV is also now permitted to deny future registration of that vehicle where it can be determined that the prior registrant attempted to misrepresent the nature of the vehicle to evade limousine safety regulations.

In addition to monitoring the implementation and compliance with the provisions of these new laws, the Inspector General recommends that:

- DOT train its staff on the immobilizing and impounding of, and seizure of license plates from stretch limousines that are not in compliance with all registration, insurance, and safety regulations.
- DOT and DMV ensure that registration suspensions for limousines deemed unsafe are not restored without the owners providing adequate proof that all safety issues have been remedied.
- DOT's administrative hearings include a comprehensive review of an entity's entire Notice of Violations and Order of Suspension or Revocation history prior to negotiating any settlement agreement, including one involving the removal of an Order of Suspension or Revocation, to ensure that all outstanding safety, out-of-service, and registration issues are considered in a holistic fashion.
- DMV require its staff to conduct a thorough search of the entire registration and title history of such vehicles to uncover inconsistencies including misclassifications before issuing and renewing registrations for vehicles. In furtherance of this, DOT and DMV should implement a process to verify a vehicle's classification status when discrepancies arise and ensure both agencies are immediately notified of any discrepancies.
- DOT maintain copies of incomplete/denied applications for operating authority and incorporate the denials into their review process for granting operating authority.
- If DOT and/or DMV observe material misrepresentation or indicia of fraud by a registrant, the agencies should immediately communicate with each other to ensure an investigation is initiated forthwith.

COMPLAINT & METHODOLOGY

On April 15, 2021, the Offices of the New York State Inspector General received a complaint alleging that DOT and DMV share responsibility with Prestige for the October 6, 2018, limousine crash in Schoharie County in that, despite prior opportunities to do so, the agencies failed to remove the limousine from operation. Additionally, the complaint alleged that

⁷ N.Y. Senate Bill S.6193C / N.Y. Assembly Bill A.9056 (<https://www.nysenate.gov/legislation/bills/2019/S6193>).

the NYSP interfered with NTSB's collection of data in completing its crash report,⁸ and that requests for records by the victims' families and journalists under New York's Freedom of Information Law were stalled.⁹

Consistent with its jurisdiction pursuant to Executive Law Article 4-A, the Inspector General conducted a review of the applicable laws, regulations, and agency procedures regarding limousine safety in an effort to determine the administrative avenues available to DOT and DMV pre- and post-crash. The Inspector General interviewed both retired and current staff at DMV, DOT, and NYSP; and reviewed relevant emails, other agency materials, and the NTSB report on the crash.

FINDINGS OF FACT

The Stretch Limousine Crash in Schoharie County

On October 6, 2018, a 2001 Ford Excursion limousine carrying 18 occupants celebrating a birthday experienced brake failure while descending a hill on New York State Route 30 in Schoharie, New York. The limousine then struck a parked car and careened into a ravine, killing the passengers, driver, and two pedestrians. The limousine was owned by Prestige, a Gansevoort, New York company managed by Nauman Hussain and owned by Shahed Hussain.

On October 10, 2018, Nauman Hussain was arrested by the NYSP and charged with 20 counts of Criminally Negligent Homicide and Manslaughter in the Second Degree for transporting paid passengers in the limousine despite having received multiple Notices of Violations (NOVs) from DOT for improper registration and multiple deficiencies. On September 2, 2021, Nauman Hussain entered into a plea deal with the Schoharie County District Attorney's Office, pleading guilty to the 20 counts of Criminally Negligent Homicide. On August 31, 2022, Hussain withdrew his plea after the court rejected a previously negotiated sentence, which included probation and did not require jail time. A trial is scheduled to begin on May 1, 2023.

DOT's Regulation of Stretch Limousines Prior to the Crash

Prior to the crash, DOT was responsible for regulating all for-hire vehicles that had been "modified" or "stretched" or had a seating capacity of 11 or more passengers. Pursuant to

⁸ The Inspector General's review did not address the allegation that the NYSP interfered with NTSB's access to the limousine. This matter was litigated by the Schoharie County District Attorney and NTSB's legal counsel. The Inspector General does not have jurisdiction to review actions of a district attorney's office.

⁹ The Inspector General's review did not address this allegation, which was litigated in State Supreme Court. DOT and DMV ultimately complied with the court's ruling requiring the release of records.

Article 7, section 152 of New York State Transportation Law, limousine companies operating these types of vehicles must submit an application to obtain “operating authority” from DOT before carrying paid passengers. The application requires, among other information, that the make, model, year, gross weight, and seating capacity be listed for each vehicle operated by the entity. After an application is approved, these vehicles are subjected to semi-annual inspections as part of DOT’s bus inspection program, among other requirements.

Prestige’s Misrepresentations in DMV Registration and Re-Registration Process

From its first submitted registration application in July 2016, Prestige evaded DOT’s regulation by misrepresenting the limousine’s seating capacity and falsely certifying that the stretch limousine had not been “modified” to change its registration classification in forms filed with DMV. In doing so, DOT was initially unaware of Prestige’s operation of the limousine involved in the crash.

In fact, Prestige, since 2016, had filed three limousine registration applications with the local county clerk-staffed DMV office misrepresenting the stretch limousine as equipped to seat fewer than 15 passengers¹⁰ and falsely claiming that the vehicle had not been modified to change its registration class. For example, in a 2017 registration application purportedly signed by Shahed Hussain, Prestige attested that the vehicle was equipped to transport only eight passengers. In two other registration applications to DMV, Prestige also misrepresented the seating capacity of the limousine as equipped to transport 10 and 11 people. The limousine, in fact, had seating for 18 people.

Prestige further misled DMV on each occasion by falsely reporting that the vehicle was not subject to DOT operating authority and not subject to DOT inspection requirements. Through these multiple misrepresentations, Prestige was able to wrongfully circumvent DOT’s rigorous biannual inspection protocols and instead register the vehicle at DMV without presenting a completed DOT inspection certificate. Prestige later presented the vehicle for inspection at a DMV- licensed inspection station, which unlawfully inspected the vehicle.¹¹

¹⁰ According to New York State Vehicle and Traffic Law § 104, a “bus” is defined as “every motor vehicle having a seating capacity of fifteen or more passengers in addition to the driver and used for the transportation of persons.” However, DOT, in its “Passenger Carrier’s Guide for Administrative Safety Compliance” requires operating authority for “any company providing for-hire service to the general public, utilizing an altered limousine transporting 11 or more persons.

¹¹ The commercial vehicle repair shop was not authorized to inspect the Prestige limousine. Since 2011, New York State law has required that stretch limousines be inspected by DOT, and DMV-certified inspection stations have

These misrepresentations were able to be sustained because, as was the practice of DMV at the time of each of the applications for registration and re-registration of the limousine, as well as at present, no review of the complete registration history or title record was conducted. Instead, the application was taken at face value and the signed attestation of accuracy by the registrant relied upon. Such a review would have revealed that under its previous ownership between 2001 and 2015, the limousine had been registered and re-registered multiple times with DMV as an 18-passenger limousine and been subjected to semi-annual DOT inspections as part of the bus inspection program. Additionally, in 2018, when Prestige attempted to re-register the limousine, DMV failed to note the clear discrepancy between the ten-passenger capacity indicated on the registration form and the insurance certificate submitted in connection with the registration that indicated a capacity of 16 passengers. As such, there existed multiple opportunities for DMV to recognize the existence of significant inconsistencies, if not intentional representations, on the registration applications and the need for additional scrutiny as to whether the limousine required DOT operating authority.

Excerpts from Prestige's July 26, 2016, DMV Registration Application

<small>(Signature of owner or authorized person, and signature of co-owner if applicable)</small>		<small>(Date)</small>	
VEHICLE IDENTIFICATION NUMBER TFMNU40551EB		VEHICLE DESCRIPTION Year 01 Make FORD	
Body Type For Other Vehicles (mark one) <input type="checkbox"/> Pick-up Truck <input type="checkbox"/> Van <input type="checkbox"/> Motorcycle <input type="checkbox"/> Tow Truck <input type="checkbox"/> Trailer <input type="checkbox"/> Other		Body Type For Cars (mark one) <input type="checkbox"/> 2-Door <input checked="" type="checkbox"/> 4-Door <input type="checkbox"/> Convertible <input type="checkbox"/> Station Wagon or Suburban <input type="checkbox"/> Other	
Color WH		Unladen Weight 6572	
Type of Power (Fuel) <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Diesel <input type="checkbox"/> Electric <input type="checkbox"/> Flex <input type="checkbox"/> CNG <input type="checkbox"/> Propane <input type="checkbox"/> None		Type of Power (Fuel)	
Cylinders 10	For trailers & commercial vehicles Maximum Gross Weight	For rental buses & taxis Seating Capacity (11)	Odometer Reading in Miles 182000
Does the ODOMETER display 5, 6 or 7 numbers? (write the number, do not include tenths)		For commercial vehicles Axles Distance	

3. Has this vehicle been modified to change its registration class? Yes No If "Yes", explain _____

CERTIFICATION: The information I have given on this application is true to the best of my knowledge. I certify that the vehicle is fully equipped as required by the Vehicle and Traffic Law, and has passed the required New York State inspection within the past 12 months, or has qualified for a time extension (Form VS-1077) and will be inspected within 10 days. I also certify that appropriate insurance coverage is in effect, and that the vehicle will be operated in accordance with the Vehicle and Traffic Law. If I am applying for replacement registration items, I certify that the registration is not currently under suspension or revocation. If I have plates in a series reserved for a special group, I certify that I am still eligible to receive them, and that I have only one set of these plates. **If I am using a credit card for payment of any fees in connection with this application, I understand that my signature below also authorizes use of my credit card.**

Print Name Here SHAHED HUSSEIN Sign Here [Redacted]
(Print Name in Full - If registering for a corporation, print your full name and title) (Sign Here)

Print Additional Name Here _____ Additional Signature Sign Here _____
(Print Name in Full) (Sign Here - Additional signature required for a partnership or if registering this vehicle in more than one name.)

IMPORTANT: Making a false statement in any registration application or in any proof or statements in connection with it, or deceiving or substituting in connection with this application, is a misdemeanor under Section 392 of the Vehicle and Traffic Law, and may also result in the revocation or suspension of the registration pursuant to regulations established by the Commissioner. The Department makes no representation that it will issue a certificate of title or transferable registration until the Commissioner is satisfied that the applicant is entitled to a certificate of title or transferable registration, and until all documentation required to establish ownership of the vehicle is submitted and deemed to be satisfactory. Pending review of this application, neither the Commissioner of the Department of Motor Vehicles nor any of his, or her employees, deputies or agents assumes any liability or responsibility for repairs performed, improvements made or work done to the vehicle referenced in this application.

been barred from inspecting and issuing inspection decals to stretch limousines. Despite these prohibitions, two DMV-certified inspection stations performed inspections of the limousine and issued inspection decals while it was owned by Prestige.

Excerpts from Prestige's June 9, 2017, DMV Registration Application

VEHICLE IDENTIFICATION NUMBER 1FMNU40SS1EB		VEHICLE DESCRIPTION Year 01 Make FORD		Body Type (mark one) <input type="checkbox"/> 2-Door <input checked="" type="checkbox"/> 4-Door <input type="checkbox"/> Pick-up <input type="checkbox"/> Van	
Color white	Unladen Weight	Type of Power (Fuel) <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Diesel <input type="checkbox"/> Electric <input type="checkbox"/> Flex <input type="checkbox"/> CNG <input type="checkbox"/> Propane <input type="checkbox"/> None		<input type="checkbox"/> Convertible <input type="checkbox"/> Suburban/SUV <input type="checkbox"/> Trailer	
Cylinders	For trailers & commercial vehicles Maximum Gross Weight	For rentals, buses & taxis Seating Capacity 8	Odometer Reading in Miles 19700	Office Use Only Mileage Brand A E N	
CHANGES: Describe any vehicle changes and the reasons for the changes. (SUBMIT NYS TITLE IF ISSUED)					

3. Has this vehicle been modified to change its registration class? Yes No If "Yes", explain _____

CERTIFICATION: The information I have given on this application is true to the best of my knowledge. I certify that the vehicle is fully equipped as required by the Vehicle and Traffic Law, and has passed the required New York State inspection within the past 12 months, or has qualified for a time extension (Form VS-1077) and will be inspected within 10 days. I also certify that appropriate insurance coverage is in effect, and that the vehicle will be operated in accordance with the Vehicle and Traffic Law. If I am applying for replacement registration items, I certify that the registration is not currently under suspension or revocation. If I have plates in a series reserved for a special group, I certify that I am still eligible to receive them, and that I have only one set of these plates. If I am using a credit card for payment of any fees in connection with this application, I understand that my signature below also authorizes use of my credit card.

WARNING: Intentionally making a false statement or providing false or misleading information in connection with this application is a criminal offense that may subject you to prosecution under the law.

Print Name Here *SHAHED HUSSAIN DBA Prestige Limo & Chauffeurs*
(Print Name in Full - If registering for a corporation, print your full name and title)

Sign Here _____
(Sign Here)

Excerpts from Prestige's May 25, 2018, DMV Registration Application

VEHICLE IDENTIFICATION NUMBER 1FMNU40SS1EB		VEHICLE DESCRIPTION Year 01 Make FORD		Body Type (mark one) <input type="checkbox"/> 2-Door <input checked="" type="checkbox"/> 4-Door <input type="checkbox"/> Pick-up <input type="checkbox"/> Van	
Color white	Unladen Weight	Type of Power (Fuel) <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Diesel <input type="checkbox"/> Electric <input type="checkbox"/> Flex <input type="checkbox"/> CNG <input type="checkbox"/> Propane <input type="checkbox"/> None		<input type="checkbox"/> Convertible <input type="checkbox"/> Suburban/SUV <input type="checkbox"/> Trailer	
Cylinders 10	For trailers & commercial vehicles Maximum Gross Weight 6226	For rentals, buses & taxis Seating Capacity 10	Odometer Reading in Miles 192000	Office Use Only Mileage Brand A E N	
CHANGES: Describe any vehicle changes and the reasons for the changes. (SUBMIT NYS TITLE IF ISSUED)					

3. Has this vehicle been modified to change its registration class? Yes No If "Yes", explain _____

CERTIFICATION: The information I have given on this application is true to the best of my knowledge. I certify that the vehicle is fully equipped as required by the Vehicle and Traffic Law, and has passed the required New York State inspection within the past 12 months, or has qualified for a time extension (Form VS-1077) and will be inspected within 10 days. I also certify that appropriate insurance coverage is in effect, and that the vehicle will be operated in accordance with the Vehicle and Traffic Law. If I am applying for replacement registration items, I certify that the registration is not currently under suspension or revocation. If I have plates in a series reserved for a special group, I certify that I am still eligible to receive them, and that I have only one set of these plates. If I am using a credit card for payment of any fees in connection with this application, I understand that my signature below also authorizes use of my credit card.

WARNING: Intentionally making a false statement or providing false or misleading information in connection with this application is a criminal offense that may subject you to prosecution under the law.

Print Name Here *SHAHED HUSSAIN*
(Print Name in Full - If registering for a corporation, print your full name and title)

Sign Here _____
(Sign Here)

Had DMV identified these misrepresentations at the time, it would have in turn been aware not only that the vehicle was incorrectly classified and improperly registered, but the clerk reviewing the application would have been empowered to flag the registration request for further

scrutiny, reject it outright, and/or refer Prestige for criminal prosecution based on the false registration attestations.

DOT Inspector's Encounter with Limousine at a Commercial Vehicle Repair Shop

By chance, in June 2017, a DOT inspector came upon the limousine while it was parked at a commercial vehicle repair shop, having immediately recognized that a vehicle of this classification was not permitted to be inspected at such a location. On this date, DOT became aware of the limousine's true seating capacity, misclassification, and lack of operating authority based on the failure by Prestige to have it inspected by DOT. Despite these observations, DOT did not notify DMV that the vehicle had been improperly classified and registered by Prestige. Such notification could have led to a concurrent DMV administrative hearing and/or criminal investigation related to the falsified documentation, the suspension of registrations for Prestige's other limousines, and ultimately, the seizure of their license plates.

This was not the first time that Prestige had been made aware of DOT's authority to regulate its stretch limousines. In 2016, Prestige was twice denied by DOT after seeking emergency temporary operating authority¹² for another of its stretch limousines during prom season. At that time, operating authority was denied when DOT found Prestige did not meet certain requirements and failed to provide DOT with required corporate documentation.

DOT's Attempts to Bring Prestige into Compliance Prior to the Crash

After DOT first became aware of the seating capacity of the limousine in June 2017, it made numerous attempts to bring the limousine into compliance with DOT regulations and ensure it was properly registered and classified with DMV. DOT's practice was to seek compliance through monetary penalties issued within an administrative hearing process derived from Transportation Law section 145(3), which if left unpaid for certain specified lengths of time, could result in the suspension/revocation of registrations through DMV. Notably, Transportation Law sections 145(4) and 140(9) separately provide authority for DOT to seek suspension of an operator's vehicles through DMV, if the operator is found to be operating without authority. However, DOT did not pursue these options.

¹² Emergency temporary operating authority is for a 30-day period.

In the instant matter, DOT first sought to obtain Prestige’s voluntary compliance by notifying them of their non-compliance and providing instructions for obtaining DOT issued operating authority. After these efforts failed, DOT issued a Notice of Violation (NOV)—a document identifying the section of law violated—to Prestige on two occasions, August 2017 and January 2018, for advertising its availability as a for-hire limousine¹³ without having received operating authority, and on a third occasion for multiple violations of DOT regulations. The notices were followed by a notice to appear at a hearing or to alternatively resolve the matter through a guilty plea and payment of a civil fine; this notice to appear also contains a warning that failure to do so may result in the suspension and/or revocation of the vehicle’s registration. DOT also conducted two “roadside inspections”¹⁴ of the limousine resulting in numerous out-of-service violations and affixed Out of Service decals to its windshield. In defiance of these repeated notices of violations and DOT’s order to take the vehicle out of service, Prestige neither properly or successfully registered the limousine nor complied with the out-of-service orders. Instead, Prestige continued to operate the limousine until the crash.

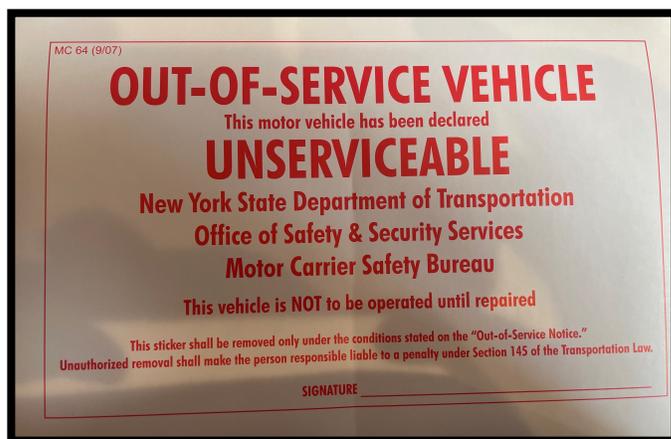
On February 20, 2018, four months after Prestige failed to appear at an October 2017 hearing resulting from the August 2017 NOV, at DOT’s direction, DMV issued an Order of Suspension or Revocation against Prestige for the subject limousine. The suspension direction was made on the basis that Prestige failed to pay a civil penalty for its lack of operating authority for the limousine—which had been first identified in June 2017. On February 21, 2018, DOT sent an offer of settlement to Prestige, which if accepted, reduced an earlier imposed civil fine of \$5,000 to \$500 and required that Prestige plead guilty to the NOV. On or about March 6, 2018, after Prestige paid the fine, DOT contacted DMV and directed that Prestige’s registration suspension be lifted by DMV, as payment of the fine stripped DOT of any legal basis to continue the suspension. The suspension was lifted two days later. At this time, Prestige had still not obtained operating authority, and the second NOV, issued in January 2018, remained outstanding.

During a “roadside inspection” on March 21, 2018, conducted at Prestige’s business location, the limousine at issue was found to have at least four violations so significant that each

¹³ As a basis for these Notices of Violations, a DOT inspector conducted undercover operations designed to solicit Prestige for transportation.

¹⁴ Roadside inspections, which are conducted at the discretion of a DOT inspector or law enforcement officer, typically take place at a location determined by the inspector, which here included Prestige’s business location.

of the four on their own was enough to cause the vehicle to be classified as out of service.¹⁵ That day, DOT affixed a 5½ inch by 8½ inch out-of-service decal on the subject limousine’s windshield, mandating that the vehicle not be operated until certain defects identified in DOT encounters were repaired. This decal, which appeared as below, was not to be removed until Prestige received operating authority from DOT and made the necessary repairs to the vehicle.



On September 1, 2018, DOT issued the third NOV, which in addition to the lack of DOT operating authority, cited Prestige’s failure to have a DOT semi-annual vehicle inspection, failure to obtain an active United States Department of Transportation number, and use of a driver lacking necessary endorsements to his driver license.

On September 4, 2018, DOT conducted another “roadside inspection” and found numerous out-of-service violations, including some mechanical defects still not yet remedied from the March 2018 “roadside inspection.” A second out-of-service decal was then affixed to the vehicle’s windshield. At the time of the crash, there were no such decal on the vehicle.

On September 14, 2018, approximately three weeks before the crash, with the fine ordered on default for the January 2018 NOV remaining outstanding, DMV issued another Order of Suspension or Revocation at the direction of DOT to Prestige’s owner Shahed Hussain for all vehicles he owned or operated, which included the stretch limousine involved in the crash, and ordered Prestige to surrender the vehicle registrations and license plates. This suspension was

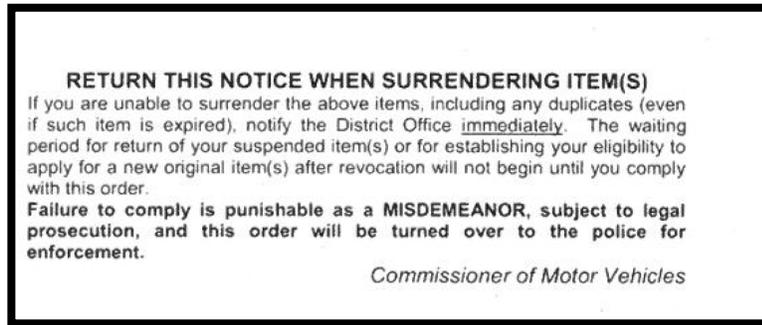
¹⁵ The DOT inspector reported that he was unable to place the vehicle on a lift during this “roadside inspection,” which took place at Prestige’s business location. Nonetheless, the inspector placed the vehicle out of service. In doing so, Prestige was now required to discontinue its use of the vehicle until it was properly registered with DMV and had undergone a rigorous DOT vehicle inspection.

again based upon the civil penalty provisions of Transportation Law Section 145(3) as opposed to those in Section 145(4) based directly upon Prestige’s operating without DOT authority.

**Suspension order issued to Shahed Hussain on
September 14, 2018, by DMV upon DOT’s Direction**

State of New York - Department of Motor Vehicles							
ORDER OF SUSPENSION OR REVOCATION							
Client SHAHED, HUSSAIN; DBA PRESTIGE, LIMO & CHAUF 776 RTE 9 GANSEVOORT NY 12831			Stop Code: 305 Action Code: 51			FOR OFFICE USE ONLY COMPLIANCE DATE <input type="checkbox"/> ITEM <input type="checkbox"/> AFFIDAVIT <input type="checkbox"/> PREVIOUSLY SURRENDERED SEE ORDER NO. _____ SIGNED	
ORDER NUMBER E809142		REG. TYPE 55 55	PLATE NO. TOGALUX1 TOGALUX2	MO./YR. EXP. 31905LV	D.O.B.		SEX
Pursuant to Section 510.2b(iii) of the Vehicle and Traffic Law the REGISTRATION & PLATES of the above named person is hereby SUSPENDED.							
REASON: REQUEST FROM THE COMMISSIONER OF TRANSPORTATION TO SUSPEND THE REGISTRATION(S) OF ALL MOTOR VEHICLES OWNED OR OPERATED BY THE ABOVE NAME REGISTRANT PURSUANT TO SECTION 140(9) AND 145(4) OF THE TRANSPORTATION LAW CONTACT NYS DOT(518)457-6512 <small>It is directed that the item(s) described above be surrendered to:</small> 40 MCMASTER ST., BALLSTON SPA, NY 12020 22 CLIFTON COUNTRY CENTER, CLIFTON PARK, NY 12065 3065 ROUTE 50, WILTON MALL, SARATOGA SPRINGS, NY 12866							
Additional Plates							
CC: MOTOR CARRIER COMPLIANCE BUREAU NYS DEPT. OF TRANSPORTATION-POD 53 50 WOLF RD ALBANY, NY 12232			BUS DRIVER UNIT INTERNATIONAL REGISTRATION BUREAU		RETURN THIS NOTICE WHEN SURRENDERING ITEM(S) <small>If you are unable to surrender the above items, including any duplicates (even if such item is expired), notify the District Office immediately. The waiting period for return of your suspended item(s) or for establishing your eligibility to apply for a new original item(s) after revocation will not begin until you comply with this order. Failure to comply is punishable as a MISDEMEANOR, subject to legal prosecution, and this order will be turned over to the police for enforcement.</small> Commissioner of Motor Vehicles		
LSM MV-110 (3/97)		Prep Date: 9/7/2018					

Notably, the Order of Suspension or Revocation issued to Shahed Hussain contained the standardized warning, “Failure to comply is punishable as a misdemeanor, subject to legal prosecution, *and this order will be turned over to the police for enforcement.*” (Emphasis added.)



Instead, less than a week later, before Prestige voluntarily surrendered the vehicle registrations and license plates, or was compelled by law enforcement to do so, the suspension was lifted on September 20, 2018. DMV lifted the suspension, again at DOT's direction, following Prestige's payment of the \$500 fine ordered on default for the January 2018 NOV.¹⁶

The Inspector General determined that these incongruous actions were a result of both DOT's long-standing practice of attempting to gain compliance through civil penalties, and its failure to require that all open violations be resolved before a reduced civil fine is offered and paid to lift a suspension. This lack of a holistic view of the limousine's status led to the troubling result here, where the registration suspension was lifted despite the vehicle still having no lawful operating authority and with other out-of-service violations pending.

DOT and DMV's Post-Crash Review of Stretch Limousine Registrations

Within the weeks following the crash, DOT and DMV undertook an initiative to review all New York State stretch limousine registrations.¹⁷ As part of this initiative, DOT directed that DMV suspend the registrations of certain stretch limousines and directed that NYSP seize the license plates from a number of these limousines. In January 2019, at the direction of DOT in conjunction with DMV, NYSP effectuated this across the State. This action was unprecedented and a direct reaction to the Schoharie crash. It is the conclusion of the Inspector General, as confirmed by employees of DOT during this review, that these registration suspensions and plate seizures occurred contrary to State law due process provisions requiring that a registrant be provided notice and an opportunity to be heard.

¹⁶ On October 5, 2018, one day before the fatal crash, Prestige failed to appear at the hearing scheduled to address the third Notice of Violation.

¹⁷ Significantly, the Stretch Limousine Passenger Safety Task Force reported that as of October 2019, there were approximately 400 stretch limousines registered for operation in New York but by March 2022, this number had dwindled to approximately 119.

New York State's Enactment of New Limousine Safety Laws

On January 14, 2020, a series of limousine safety laws were passed in New York in response to the Schoharie limousine tragedy.¹⁸ The limousine laws:

- Establish the Stretch Limousine Passenger Safety Task Force to review measures needed to ensure safe, adequate, efficient, and reliable stretch limousine passenger transportation and make recommendations regarding coordination between DOT and DMV in the regulation of stretch limousines and the establishment of driver safety training programs.
- Empower the DOT commissioner to impound or immobilize stretch limousines that have failed an inspection and keep those vehicles out of service until such issues have been remedied, direct a police officer or DOT employee to immediately secure such limousine's license plates, and notify the DMV commissioner for suspension of the vehicle's registration.
- Require stretch limousine drivers to hold a commercial driver license with a passenger endorsement and the owners of such vehicles to annually provide a list of employed drivers to DOT.
- Require DOT and DMV to establish a hotline and website for the public to report limousine safety concerns.
- Require certain stretch limousines to be equipped with safety belts for all passengers.
- Mandate pre-employment and random drug testing of drivers of certain for-hire vehicles.
- Require stretch limousines to be equipped with global positioning system (GPS) technology.
- Increase penalties for stretch limousine drivers who make illegal U-turns.

Additionally, on November 15, 2021, the Federal Infrastructure Investment and Jobs Act was signed into law. This law contains a number of significant new limousine safety regulations that expand upon those already passed by the New York State Legislature.¹⁹

¹⁸ The laws apply to motor vehicles with a chassis that was altered post-manufacture with a seating capacity of nine or more passengers.

¹⁹ These measures include defining limousine in federal law in order to promulgate future safety regulations; providing additional resources to states to impound vehicles determined to be unsafe; establishing an annual federal limousine safety inspection program; requiring limousine operators to conspicuously share with prospective customers the limousine's inspection history, the results of such inspections, and any corrective actions taken by the operator to ensure the passage of said inspection; and requiring the United States Department of Transportation to: (i) undertake formal research and rulemaking on issues such as side impact protection, roof crush resistance, airbag systems, and alternative seating positions; and (ii) research evacuation procedures and standards for limousines in the event an exit in the passenger compartment is blocked.

NTSB Highway Accident Report on the Schoharie Crash

On November 5, 2020, the NTSB issued a comprehensive final report on its accident review. NTSB found the probable cause of the crash was attributable to:

Prestige Limousine and Chauffeur Service's egregious disregard for safety, in dispatching a stretch limousine with an out-of-service order for a passenger charter trip, resulting in the failure of its brake system while descending the steep grade of New York State Route 30.

The report found that also contributing to the crash was:

[DOT's] ineffective oversight of Prestige Limousine, despite its knowledge of the carrier's multiple out-of-service violations and lack of operating authority, as well as the department's inadequate repair verification process. . . [and DMV's] inadequate oversight of state-licensed inspection stations and its failure to properly register the limousine, which enabled Prestige Limousine to circumvent the state's safety regulations and more rigorous inspection requirements.

In response to NTSB's findings, DOT asserted that at the time of the crash, it lacked the authority to seize the license plates from or impound the limousine involved in the crash.

In light of the fact that DOT and DMV had coordinated with the NYSP to seize license plates from stretch limousines in the post-crash initiative prior to the abovementioned enacted legislation, NTSB and others questioned whether DMV and DOT needed such legislation to direct the seizure of license plates by law enforcement or if DOT was already empowered prior to the Schoharie crash to initiate such direction for seizure of license plates. In fact, the NTSB noted in its report:

When the NYSDOT and the NYSP were asked why they did not impound Prestige's vehicles or confiscate their license plates, the agencies stated that they did not have clear authority to take those actions. New York State law provides broad authority to the NYSDOT commissioner to suspend and revoke the operating authority of any motor carrier of passengers when the carrier directs or allows an employee to operate a vehicle after the operator has been placed out of service. For instance, shortly after the Schoharie crash in 2018, during a focused enforcement action, the NYSDOT and the NYSDMV suspended the registrations of 59 limousines illegally operating without authority. Law enforcement seized the vehicles' license plates at the request of the NYSDMV. At the time of the action, no new legal authority had been provided to law enforcement to conduct these suspensions; the existing authority was sufficient to enable this action.

THE INSPECTOR GENERAL'S DETERMINATIONS

Missed Opportunities

- DMV PRACTICE DID NOT INCLUDE A REVIEW OF THE VEHICLE'S COMPLETE REGISTRATION OR TITLE HISTORY DURING THE REGISTRATION PROCESS:

Although not part of its procedures or practices at the time, DMV could have reviewed the complete registration history or title record for the vehicle at the time of its registration and re-registration. Such a review would have revealed that under its previous ownership between 2001 and 2015, the limousine had been registered and re-registered multiple times with DMV as an 18-passenger limousine and been subjected to semi-annual DOT inspections as part of the bus inspection program.²⁰

- DMV DID NOT NOTE CLEAR DISCREPANCY REGARDING PASSENGER CAPACITY ON 2018 REGISTRATION FORM SUBMITTED BY PRESTIGE AND THE ACCOMPANYING INSURANCE CERTIFICATE:

When Prestige attempted to re-register the limousine in 2018, DMV failed to note the clear discrepancy between the ten-passenger capacity indicated on the registration form and the insurance certificate accompanying the application that indicated a capacity of 16 passengers. Notably, since the crash, DMV has updated its registration application form to allow for better detection of misclassified vehicles. The form now requires the registrant to describe the body type, with an option for "Limo," and asks if the vehicle has ever been "altered to increase the capacity beyond that provided by the manufacturer." The form now also contains a section entitled "Non-Personal Vehicle Use," which asks whether the vehicle is "used to transport passengers" and refers those who answer in the affirmative to an asterisk that describes the possible need for obtaining operating authority from DOT.²¹ As such, there were multiple opportunities for DMV to recognize the existence of significant inconsistencies, if not intentional representations, on the registration applications and the need for additional scrutiny as to whether the limousine required DOT operating authority.

- DOT DID NOT NOTIFY DMV UPON FIRST BECOMING AWARE OF MISCLASSIFIED VEHICLE:

As early as June 2017, DOT staff became aware that Prestige had improperly registered the subject limousine with DMV and that it required DOT operating authority due

²⁰ There is no indication that the seating capacity had been physically reduced from the 2016 registration and at the time of the crash, the limousine held 18 passengers. Based on a review of the DMV registration history, the vehicle was purchased by Prestige as an 18 passenger stretch modified limousine. The limousine continued in this configuration prior to the crash and during all DOT contacts with the vehicle and NTSB's crash investigation.

²¹ DMV Form MV-82 (available at <https://dmv.ny.gov/files/mv82pdf>).

to its size. Upon this discovery, DOT should have immediately informed its partner agency, DMV, that Prestige had submitted a DMV registration application falsely attesting that the limousine had not been altered from its original design as an eight-passenger vehicle and significantly underreporting the seating capacity. With this evidence, DMV, which operates a criminal investigations unit with powers of arrest, could have initiated a criminal investigation and administrative action against Prestige and its representatives. This review could have resulted in the arrest and prosecution of Shahed Hussain (the signatory) and Prestige as a corporation for charges of Offering a False Instrument for Filing in the First Degree under Penal Law section 175.35(1), an “E” Felony, and False Statements, Alteration of Records or Substitution in Connection With Any Examination under Vehicle and Traffic Law section 392, a Misdemeanor. Notably, a false statement in a DMV application can also result in the suspension or revocation of that registration by DMV.

- DOT DID NOT TAKE ALL AVAILABLE STEPS TO EFFECTUATE SEIZURE OF THE LIMOUSINE’S LICENSE PLATES IN A TIMELY FASHION:

DOT was aware since July 2017, almost 15 months before the crash, that Prestige lacked operating authority, had certified in at least one DMV registration application to a false statement about the limousine’s seating capacity, and later learned that Prestige had advertised its availability to provide for-hire transportation services despite having no such authority. DOT pursued financial penalties against Prestige for these violations under Transportation Law section 145(3). After Prestige ignored the notices and fines issued in these matters, DOT twice directed DMV to issue Orders of Suspension against Prestige, first for just the subject limousine, and the second time, for all vehicles owned and operated by Prestige. Both times, despite being best situated to know the nature and breadth of Prestige’s misconduct, DOT acted in accordance with its ordinary practice of not communicating this information to DMV so that enforcement action could be expedited. Even further, DOT’s actions in resolving the first suspension through a plea offer of a dramatically reduced civil penalty likely stripped DMV of time to effectuate seizure by Law Enforcement under the provisions of Vehicle and Traffic Law section 510(7).

The Inspector General found that this type of critical inter-agency communication was never employed by DOT staff and witnesses stated that they were unaware of the authority to request license plate seizure by these means. Moreover, the procedure on how to effectuate a plate seizure by law enforcement was not codified in regulations or policy, part of DOT’s routine procedures and practices, or part of DOT’s training or inspection protocols.

This indirect process, which to function effectively required the collaboration between DOT, DMV and NYSP, was unduly cumbersome.

DOT's practice prior to the crash focused on providing technical and educational assistance to operators, but also, regrettably, on clearing violations and suspensions through the payment of fines, frequently at a significant discount without conditioning such offers on proof of remedial measures. The adjudication and resolution of Prestige's violations through a fine system and its concurrent timing requirements, without requiring a comprehensive review and resolution of all outstanding violations, defects, and inspection shortcomings, represents a significant flaw in DOT's approach. Egregious actors who repeatedly flout DOT's regulations, such as Prestige, must be matched with a more urgent response, which could have been accomplished utilizing the powers of Transportation Law section 145(4). Moreover, once the limousine's registration was suspended under a procedure providing for the requisite due process, DOT could have proactively coordinated with DMV and NYSP to facilitate and expedite the seizure of license plates.

2020 STRETCH LIMOUSINE LEGISLATION

A series of limousine safety laws were passed in January 2020, in response to the Schoharie limousine crash. The new laws established a task force to review and make recommendations regarding stretch limousine passenger safety, empowered DOT to impound or immobilize stretch limousines when appropriate, required the creation of a hotline to report limousine safety concerns, mandated driver safety training programs, and placed various requirements on limousines owners and drivers including safety belts for all passengers and driver drug testing, among other measures.

Immobilization and Impoundment of Defective Limousines (S.6193C/A.9056)

This statute empowers the DOT commissioner to impound or immobilize stretch limousines that have failed an inspection and keep those vehicles out of service until such issues have been remedied, direct a police officer or DOT employee to immediately secure such limousine's license plates, and notify the DMV commissioner for suspension of the vehicle's registration.

To implement this provision, DOT inspectors now utilize a mobile app to enter vehicle information into DMV's "Suspend Now" system initiating an immediate suspension of a vehicle's registration. This system enhances the communication between DOT and DMV and

provides a pathway for a clear exchange of information so repeat offenders like Prestige will no longer avoid detection or receive insufficient enforcement.

Additionally, as the law requires, DOT has instituted a practice of requiring adequate proof of repairs or other necessary corrective actions at an administrative hearing prior to releasing a vehicle. Impounded motor vehicles cannot be released unless the DOT commissioner provides written notice that the vehicle has passed re-inspection, and the release of a vehicle without approval by the commissioner is punishable by a fine up to \$10,000.

Given these changes, an entity similarly situated to Prestige can no longer pay a fine and continue operating an unsafe limousine until such point that the vehicle fails another inspection.

Creation of Passenger Safety Task Force (S.6189C/A.1316C)

This statute established the Stretch Limousine Passenger Safety Task Force to review measures needed to ensure safe, adequate, efficient, and reliable stretch limousine passenger transportation and make recommendations regarding coordination between DOT and DMV in the regulation of stretch limousines and the establishment of driver safety training programs, among other things.

The task force, an 11-member body first established in 2020, which includes the DOT and DMV commissioners, NYSP superintendent, industry experts, and other State government and community stakeholders, including directly impacted families, has held meetings, received testimony from the public, reviewed safety measures and recommendations on limousine safety, and submitted its final report and recommendations to the governor and legislature on September 30, 2022.

Seat Belt Requirements (S.6191 C/A.9057):

Motor vehicles converted into stretch limousines on or after January 1, 2021, must have at least two safety belts for the front seat and at least one safety belt in the rear for each passenger the vehicle was designed to hold. All existing stretch limousines must be retrofitted to include seat belts by January 1, 2023.

DOT has acted to enforce this mandate by sending notice to stretch limousine operators of this requirement and ensuring such safety belts are present during semi-annual inspections and “roadside inspections.” Additionally, DMV has published a memorandum on the safety belt requirement and now confirms compliance with a question certified on registration applications.

Commercial Driver License Requirements for Limousine Drivers (S.6192A/A.8474A)

Individuals operating limousines carrying nine or more passengers, including the driver, must have a passenger-endorsed commercial driver license (CDL). DMV has advised the limousine industry of the CDL passenger endorsement requirement.

Increased Penalties for Illegal U-Turns (S.6188B/A.8172B)

Illegal U-turn violations will be subject to a \$250 to \$400 fine and/or up to 15 days imprisonment. Second violations within 18 months will be subject to a \$600 to \$750 fine and/or up to 45 days imprisonment. Violations involving a stretch limousine making an illegal U-turn while carrying at least one passenger would be subject to a \$750 to \$1,000 fine and/or up to 180 days imprisonment. DMV has issued a memorandum to all police and courts describing the new law. The NYSP has also issued a statewide Legal Services Bulletin advising all members as to the change in law.

GPS Requirements for Limousines (S.6187C/A.9058)

Stretch limousines are required to use GPS technology designed specifically for commercial vehicles upon the creation of federal standards. Federal standards have yet to be established for the use of GPS designed for commercial vehicles.

New Customer Service Resources (S.6185B/A.8214B)

The commissioners of DOT and DMV must establish, maintain, monitor, and publicize a telephone hotline operated and maintained by DMV to report safety issues with stretch limousines and a safe limousine website maintained by DOT. DOT and DMV may investigate the reports generated by the hotline and use verified information from those reports in their enforcement actions. This limousine safety tip hotline has been established and a notice for posting in limousines has been updated. The Safe Limo NY hotline number is 833-727-0901.

Driver License Validation (S.6604B/A.9059)

Additionally, every motor carrier must provide DMV, on an annual basis, with a list of each altered motor vehicle designed to carry nine or more passengers that they operate, including the Vehicle Identification Numbers (VIN), as well as the names and license status of all drivers employed to operate them.

DMV must then annually review the driver files of each driver and publish safety metrics. DMV must also annually update its website to provide information on motor carriers

operating stretch limousines and data on limousine operations and drivers. Motor carriers are currently providing DMV data on their stretch limousines.

Drug and Alcohol Testing (S.6186B/A.712A):

Drivers of large for-hire vehicles and motor carriers must be subject to pre-employment and random drug and alcohol testing. DMV has advised carriers of the new drug and alcohol testing requirements and DOT and DMV are working to coordinate enforcement activities. DMV has also created an affidavit, which must be submitted annually by carriers certifying their compliance with these drug testing mandates.

Seat Belt Use in Taxi and Livery Vehicles (S.7134/A.8990)

Seat belt use requirements in for-hire vehicles has been expanded. DOT is enforcing this requirement during its roadside and semi-annual vehicle inspections. Additionally, DMV has issued a memorandum, and NYSP has published a Legal Services Bulletin statewide advising of the change to law.

CONCLUSIONS AND RECOMMENDATIONS

All government regulatory agencies utilize administrative procedures to accomplish their missions and objectives. These administrative procedures afford individuals and companies leeway to self-correct deficiencies and punishments escalate incrementally for repeated acts of noncompliance or wrongdoing. Punishments may initially include monetary fines and escalate to revocation or suspension of privileges. Given the sheer volume of transactions conducted by regulatory agencies, it is impracticable to compel the harshest level of enforcement immediately and such action would result in unfair or disproportionate outcomes in most cases. However, in some instances, the potential dire consequences resulting from this approach mandate that the most severe sanctions available to these agencies must be utilized.

Here, Prestige's continued obfuscation in the face of DOT's efforts to bring it into compliance, could have, with better inter-agency communication, been met with the most severe remedies available to the agency. Instead, DOT sought Prestige's adherence to operating and safety regulations utilizing a practice that conflated the payment of civil fines with compliance, and which repeatedly proved to be ineffective. DOT's acceptance of civil penalties for noncompliance without requiring and confirming further corrective action by Prestige was insufficient to deter their unlawful conduct.

Given the findings of this review, the Inspector General recommends the following:

- DOT train its staff on the immobilizing and impounding of, and seizure of license plates from stretch limousines that are not in compliance with all registration, insurance, and safety regulations.
- DOT and DMV ensure that registration suspensions for limousines deemed unsafe are not restored without the owners providing adequate proof that all safety issues have been remedied.
- DOT's administrative hearings include a comprehensive review of an entity's entire Notice of Violations and Order of Suspension or Revocation history prior to negotiating any settlement agreement, including one involving the removal of an Order of Suspension or Revocation, to ensure that all outstanding safety, out-of-service, and registration issues are considered in a holistic fashion.
- DMV require its staff to conduct a thorough search of the entire registration and title history of such vehicles to uncover inconsistencies including misclassifications before issuing and renewing registrations for vehicles. In furtherance of this, DOT and DMV should implement a process to verify a vehicle's classification status when discrepancies arise and ensure both agencies are immediately notified of any discrepancies.
- DOT maintain copies of incomplete/denied applications for operating authority and incorporate the denials into their review process for granting operating authority.
- If DOT and/or DMV observe material misrepresentation or indicia of fraud by a registrant, the agencies should immediately communicate with each other to ensure an investigation is initiated forthwith.

New Yorkers deserve to be safe on our roadways. The agencies charged with ensuring that safety have made meaningful changes to further that goal since the passage of the limousine safety legislation in 2020. The adoption of these additional requirements will enhance their ability to serve the public efficiently and effectively. New York State will never forget the devastating loss of life on October 6, 2018, in Schoharie, and all those with oversight over commercial vehicles must remain committed to doing everything possible to ensure it is a tragedy that is never repeated.

KATHY HOCHUL
Governor



Department of
Motor Vehicles

6 EMPIRE STATE PLAZA • ALBANY, NY 12228

MARK J.F. SCHROEDER
Commissioner

(518) 473-9324

October 20, 2022

Inspector General Lucy Lang
New York State Offices of the Inspector General
Empire State Plaza, Agency Building 2, 16th Fl
Albany, NY 12223

RE: Review of New York State DOT's and DMV's Compliance with 2020 Limousine Safety Laws and Additional Recommendations Related to the October 2018 Schoharie Limousine Tragedy

Dear Inspector General Lang:

I write in response to your report regarding the October 2018 Schoharie limousine tragedy. Thank you for your efforts, and those of your staff, in reviewing this important matter.

In particular, relative to DMV, your report recommends that: (1) DOT and DMV ensure that registration suspensions for limousines deemed unsafe are not restored without the owner's providing adequate proof that all safety issues have been remedied; (2) DMV should require its staff to conduct a thorough search of the entire registration and title history of limousines to uncover inconsistencies including misclassification before issuing and renewing registrations for vehicles, and in furtherance thereof DMV should implement a process to verify a vehicle's classification status when discrepancies arise and ensure DOT is immediately notified of any discrepancies; and (3) if DMV observes material misrepresentations or indicia of fraud by a registrant, DMV should immediately communicate with DOT to ensure an investigation is initiated forthwith.

The Department takes seriously the terrible impact of the 2018 Schoharie crash on the victims and their families and strives to continuously improve highway safety.

dmv.ny.gov

Accordingly, I accept your recommendations and will work to ensure that they are implemented at the Department.

Again, please accept my appreciation for your efforts in this matter, and of those of your staff, to make recommendations that will improve highway safety.

Sincerely,

A handwritten signature in black ink that reads "Mark J.F. Schroeder". The signature is written in a cursive style with a prominent flourish at the end.

Mark J.F. Schroeder
Commissioner

dmv.ny.gov



October 28, 2022

Inspector General Lucy Lang
New York State Office of the Inspector General
Empire State Plaza, Agency Building 2, 16th Floor
Albany, New York 12223

RE: Review of New York State DOT's and DMV's Compliance with 2020 Limousine Safety Laws and Additional Recommendations Related to the October 2018 Schoharie Limousine Tragedy

Dear Inspector General Lang,

The New York State Department of Transportation takes seriously the tragic impact of the Schoharie limousine crash on the victims and their families. The Department appreciates that you and your staff took considerable time reviewing this important matter. Despite our strong disagreement with factual and legal assertions contained in the report, the Department agrees with the forward-looking recommendations, all of which the Department previously adopted and incorporated into our procedures.

The Department agrees with the recommendations set forth in your report and would like to share how the recommended actions are currently implemented in the Department's operating procedures.

- *Recommendation No. 1: DOT train its staff on the immobilizing and impounding of, and seizure of license plates from stretch limousines that are not in compliance with all registration, insurance, and safety regulations.*

Training for the Department occurred in connection with the 2020 Stretch Limousine Legislation and included the New York State Police. There have also been subsequent in-service trainings on these topics and on-the-job trainings occur annually and as needed. In addition, the Department will soon conduct a follow up training with the New York State Police.

- *Recommendation No. 2: DOT and DMV ensure that registration suspensions for limousines deemed unsafe are not restored without the owners providing adequate proof that all safety issues have been remedied.*

The Department requires proof that safety issues have been remedied before a suspension is lifted. The Department and DMV ensure that registration suspensions for limousines deemed unsafe are not restored without the owners providing adequate proof that all safety issues have been remedied.

- *Recommendation No. 3: DOT's administrative hearings include a comprehensive review of an entity's entire Notice of Violations and Order of Suspension or Revocation history prior to negotiating any settlement agreement, including one involving the removal of an Order of Suspension or Revocation, to ensure that all outstanding safety, out-of-service, and registration issues are considered in a holistic fashion.*

The Department's personnel thoroughly reviews an entity's entire Notice of Violation and Order of Suspension or Revocation history prior to negotiating any settlement agreement.

- *Recommendation No. 4: DMV require its staff to conduct a thorough search of the entire registration and title history of such vehicles to uncover inconsistencies including misclassifications before issuing and renewing registrations for vehicles. In furtherance of this, DOT and DMV should implement a process to verify a vehicle's classification status when discrepancies arise and ensure both agencies are immediately notified of any discrepancies.*

The Department and DMV coordinate the limousine vetting process. Information is shared with DMV when the Department finds potentially fraudulent registrations.

- *Recommendation No. 5: DOT maintain copies of incomplete/denied applications for operating authority and incorporate the denials into their review process for granting operating authority.*

The Department has a longstanding policy of maintaining copies of incomplete/denied applications for operating authority and any denials are reviewed prior to granting operating authority.

- *Recommendation No. 6: If DOT and/or DMV observe material misrepresentation or indicia of fraud by a registrant, the agencies should immediately communicate with each other to ensure an investigation is initiated forthwith.*

When the Department observes potential misrepresentations or fraud by a registrant, it makes referrals to DMV. Bi-weekly coordination calls between the two agencies take place on an ongoing basis.

However, the Department disagrees with the conclusion that it could have unilaterally initiated a process that would have resulted in the immediate seizure of the Schoharie limousine crash vehicle plates. The report states that the then-available process was indirect and cumbersome. It does not explain that it would have required multiple agencies, under separate legal authority, to proceed with registration suspension followed by plate revocation and coordination with police, the latter two of which were not under the jurisdiction of the Department.

Specifically, under the then-existing provisions of Transportation Law, after the Department held a hearing and subsequently requested DMV suspend registrations, DMV, under the Vehicle and Traffic Law, would have had to pursue a further administrative suspension process. If the plate holder did not voluntarily return the plates, it would face a misdemeanor charge, and in connection with that suspension process, a police officer would have authority to seize the plates.

The Department will continue to strive to take all actions available at its disposal to ensure the safety of the traveling public.

Sincerely,



Marie Therese Dominguez
Commissioner