

U.S. Department of Transportation

Office of the Secretary Of Transportation

October 25, 2021

Docket No. 21-0080

Dasha Deckwerth Stealth-ISS Group, Inc. 4952 Grey Mesa Street Las Vegas, NV 89149

Dear Ms. Deckwerth:

Departmental Office of Civil Rights 1200 New Jersey Avenue, S.E., W76-401 Washington, DC 20590

Under section 26.81(d) of the Department's DBE regulation, a certifier "is not required to process an application for certification from a firm having its principal place of business outside the state if the firm is not certified by the UCP in the state in which it maintains its principal place of business." The Florida Department of Transportation (FDOT) declined to process the application of Stealth-ISS Group, Inc., on the basis that the firm had not established that its principal place of business is in Florida.¹ Stealth is not certified elsewhere.

A number of Stealth's corporate documents specify that Stealth's principal place of business is located in Arlington, Virginia.² Others documents in the record refer to the Virginia location as the principal business address of the firm.³ Stealth's Federal business tax returns were filed listing the Virginia address in 2016, 2017, and 2019.

Stealth's 2018 Federal business tax return was filed from a Las Vegas, Nevada, address. Stealth's DBE application to Florida, which was signed and notarized in Nevada, used the Nevada address as the firm's mailing address, as did the 2020 Florida For Profit Corporation Annual Report.

A 2014 edition of Stealth's By-Laws places the principal office of the corporation is in Florida. The 2018 By-Laws say that the Stealth's registered office in Florida is at your Florida address,

¹ FDOT styles its action as a "denial." Technically it is not, since the basis of the action is not any deficiency concerning business size, disadvantage, ownership, or control. Rather, a certifier has discretion to turn away an application without making an eligibility determination when the applicant's principal place of business is out of state. FDOT used that discretion in this case.

² See Certificate of Corporate Resolution (2018), By-Laws (2018), Certificate of Corporate Resolution (2019), Florida For Profit Corporation Annual Report (2020).

³ See DaVinci Lease Agreement (2015), Corporate Lease Agreement (2017), Shareholder Agreement (2018), Letter to Florida Division of Corporations (2019), Veterans Administration Service Disabled Veteran Owned Small Business Certification (2019), SBA Loan Agreement (2020).

and the 2020 Florida For Profit Corporation Annual Report lists the Florida address as that of the firm's registered agent in the state.

In your appeal, you assert that Stealth's work takes place online or at clients' locations throughout the U.S., Canada, and beyond. You travel extensively for business, and your work is not tied to any particular brick and mortar U.S. location. You also prefer not to use a personal residence in Florida, your state of domicile⁴, as a public-facing address for the company. The Virginia office is merely a mail transfer point, the appeal states, and the Nevada office was established primarily as corporate housing for the company's CEO. These facts reflect common business practices that should not thwart the firm's application, the appeal argues.

The definition of "principal place of business" in section 26.5 of the regulation⁵ recognizes that certifiers have a significant degree of discretion in determining where a firm's principal place of business is located. Even given that Stealth's substantive work and business operations are online and widely dispersed geographically, the greater weight of the documentary evidence – especially Stealth's own documents explicitly designating Arlington, Virginia, as the firm's principal place of business – supports FDOT's decision.

We consequently find that there is substantial evidence to support FDOT's use of its discretion under section 26.81(d) to decline to process Stealth's application. Under section 26.89(f)(1), we affirm that decision.

This decision is administratively final and not subject to petitions for review.

Sincerely,

Samuel F. Brooks DBE Team Lead Disadvantaged Business Enterprise Division

cc: Dwayne T. Moore

⁴ The issue in the case is the corporation's principal place of business, not the owner's domicile.

⁵ "*Principal place of business* means the business location where the individuals who manage the firm's day-to-day operations spend most working hours. If the offices from which management is directed and where the business records are kept are in different locations, the recipient will determine the principal place of business."