

BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

Date: April 18, 2019

To: Board of Taxicab Commissioners

From: *for* Seleta J. Reynolds, General Manager *JRS*

Subject: **APPEAL CONCERNING THE DEPARTMENT'S RECOMMENDATION TO REVOKE ALL SLOTS OWNED AND/OR OPERATED BY MARIA GEVORKIAN**

RECOMMENDATIONS

That your Board:

- a. **FIND** that on June 21, 2018, the Department submitted to the Board of Taxicab Commissioners (Board) a recommendation to revoke all taxicab slots owned and/or operated by Maria Gevorkian (Maria) for multiple violations of Board Order 471 and California Business and Professions Code 12510(a)(5).
- b. **DENY** Maria's appeal and uphold the Department's recommendation to revoke all taxicab slots owned and/or operated by Maria.
- c. **ADVISE** the Department that Maria shall not be granted authorization to operate any form of vehicle-for-hire in the City and/or County of Los Angeles.
- d. **INFORM** Maria she will never be eligible to own or operate any vehicle-for-hire in the City and/or County of Los Angeles.

INITIATED BY

Maria Gevorkian, 5336 Reseda Blvd, Tarzana, California 91356, appealed the Department's recommendation to revoke all of her taxicab slots by filing a written "Request for Hearing Before the Board of Taxicab Commissioners" (Attachment 1) pursuant to Board Order No. 530, Sec. F on October 18, 2018.

DISCUSSION

Maria is the Investor/Shareholder for L.A. Checker Cab Cooperative, Inc. (Checker) taxicab slots number 3448, 3469, 3483, 3530, 3632 and 3636. She is also the Investor/Shareholder for taxicab slot 3507. That taxicab was found to have a meter that had a pulse device attached and was permanently removed from service on March 28, 2018.

On March 28, 2018, a Los Angeles Department of Transportation (LADOT) taxicab inspection was conducted at Los Angeles International Airport (LAX). Staff inspected 14 taxicabs. This inspection

included taking random vehicles to a taxicab meter shop for examination of the meter. During this inspection Checker cab 3507 was found to have a pulse device installed. The meter was immediately removed and LADOT staff immediately removed the LADOT decals and placed the vehicle out of service. Maria is the Investor/Shareholder of taxicab slot 3507. This taxicab has been decommissioned and has not been placed back into service.

During the Administrative Hearing Maria was asked about how she currently ensures that the meters installed in the taxicabs are accurate and do not have a tampering device installed in them. Maria did not have an answer to this question and in fact, indicated that, other than occasionally washing the vehicles, she has no day-to-day dealings with any of the taxicabs she is Investor/Shareholder of. For that she relies on Suren or Simon Gevorkian. When asked if she was aware of the location of the unit that was found to have a pulse device installed, she seemed unsure and looked to her son, Simon, for the answer. No proof was submitted to indicate that Maria had instituted remedial procedures to prevent future meter tampering. Notice of the Department's decision was sent to Maria on October 5, 2018. (Attachment 2)

The Department's investigation and inspection of the taxicabs found that multiple taxicabs operated by Maria and her family were found to either have pulse devices installed, or had hanging wires where such a device could have been hastily removed prior to arriving at LAX for the inspection.

Operating a taxicab with a meter that has been equipped with such devices is a violation of Ordinance 181423 as well as a violation of Section 12510(a) (5) of the Business and Professions Code and Board Order 471, Rules 201 and 429.

Staff concluded that the original recommendation to revoke was appropriate. Gevorkian was advised of this in a letter (LE18-063.pab) dated October 5, 2018.

PROPOSED DISCIPLINARY ACTIONS

It is staff's opinion that Maria Gevorkian has not exercised any form of control over the taxicabs that she owns or operates and, in fact, relies on other family members to manage the taxis. As such there is no evidence that she has made any attempt to comply with the tenets of Ordinance 181423 with LADOT.

It is staff's recommendation to deny Maria's appeal; upholding the Department's original recommendation to permanently revoke all of the taxicab slots owned and/or operated by Maria and instruct the Department that Maria can never be eligible to operate any form of vehicle-for-hire service within the City and/or County of Los Angeles.

Applicable Regulations

Board Order 471, Rule 201 states:

"Each taxicab operator and its management, employees, lease drivers, each vehicle permittee, each driver, and each member's lease drivers and employees are individually and jointly responsible for complying with rules and regulations of the Board; all sections of the LAMC, the Los Angeles Administrative Code and other ordinances or the City; any rule or regulation of the Department of Airports; and any section of a State Statute or Administrative Code relating to the operation of a taxicab or a vehicle for hire. Through adjudication, only one taxicab rule shall

be applied for a specific infraction when Rule 201 is cited in addition to another taxicab rule for the same offense.”

Board Order 471, Rule 402 states:

“... each taxicab operator or vehicle permittee shall equip each taxicab with:

A State approved taximeter, currently certified for the specific vehicle in which it is installed and with unbroken State inspection seals affixed. All replacement meters shall be certified by a State sealer, registered with the Los Angeles County Department of Weights and Measures, and inspected by the Department within seven calendar days after the vehicle is placed into service with a new or replacement meter.”

Board Order 471, Rule 420 states:

“Each taxicab operator and vehicle permittee shall maintain the taximeter in good working condition at all times.”

Board Order 471, Rule 429 states:

“The taxicab is found to contain a rate other than authorized. The meter shall have installed only the approved rates and extra charges. All mechanisms, devices and/or electronic programs attached, installed or used in connection with the meter shall not facilitate the perpetration of fraud. No schedule of rates contained in the taximeter may be higher than those authorized for the City of Los Angeles unless authorized by the Board of Taxicab Commissioners.”

Board Order 471, Rule 906 states:

“A driver or taxicab operator may appeal the decision of the Department by filing with the Department an Appeal Request Form within three working days of the Department hearing. Such Appeal Form shall present the basis for protesting the decision of the Department.”

California Business and Professions Code §12510(a)(5) states:

“Any person who by himself or herself, or through or for another, does any of the following is guilty of a misdemeanor:

- (1) Sells or uses any device or instrument to be used or calculated to falsify any weight or measure.”

Franchise Ordinance #181423, Section 1.0 DEFINITIONS:

CO-OPERATIVE, ASSOCIATION or MEMBERSHIP: “An independent taxicab enterprise or organization owned and operated by its Members for the financial benefit of its Members. Each authorized taxicab fleet slot correlates to a share and/or ownership in the Membership.”

INVESTOR/SHAREHOLDER: “A Member of Grantee who does not manage or control taxicabs in Grantee.”

MEMBER: "An individual person or Subchapter S corporation, as defined in the United States Internal Revenue Code Section 1361, who owns one or more taxicabs and/or shares, but not more than the maximum number allowed by this ordinance, in Grantee. Only those individuals applying for Investor/Shareholder membership status may apply as a Subchapter S corporation."

Franchise Ordinance #181423, Section 402 "Operations and Service – General:

- (a) "All vehicles, equipment and appurtenances used under this Franchise shall be operated and maintained in accordance with all applicable Federal and State laws, ordinances of this City and order of the Board. Grantee shall be responsible for the compliance of its Members and drivers with all such laws, ordinances, rules and orders."

- (b) "The number of taxicabs operated pursuant to this Franchise, the manner and time of all operations, the transportation service provided, and the rates or fares charged, shall at all times conform to such regulations as shall from time to time be fixed or prescribed by the City and/or Board,"

Franchise Ordinance #181423, Section 403 "Operations and Service – Taxicabs

- (b) "All taxicabs used by the Grantee within the City shall be operated under and pursuant to the provisions of this Franchise and Board requirements and not otherwise. Each such taxicab shall be equipped with City decals and/or equivalent City identification as ordered by the Board by resolution. Grantee shall not allow any taxicab to be driver which is in violation of the terms of this Franchise or any Board requirements."

Appellant's Statement

Please see Attachment 1 for the appellant's statement.

B19-010.pab

JMM/pab