

BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

Date: April 18, 2019

To: Board of Taxicab Commissioners

From:  Seleta J. Reynolds, General Manager 

Subject: **APPEAL CONCERNING THE DEPARTMENT’S RECOMMENDATION TO REVOKE ALL SLOTS OWNED AND/OR OPERATED BY SUREN 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 Suren Gevorkian (Suren) for multiple violations of Board Order 471 and California Business and Professions Code 12510(a)(5).
- b. **DENY** Suren’s appeal and uphold the Department’s recommendation to revoke all taxicab slots owned and/or operated by Suren.
- c. **ADVISE** the Department that Suren shall not be granted authorization to operate any form of vehicle-for-hire in the City and/or County of Los Angeles.
- d. **INFORM** Suren he will never be eligible to own or operate any vehicle-for-hire in the City and/or County of Los Angeles.

INITIATED BY

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

DISCUSSION

Suren is the Investor/Shareholder for L. A. Checker Cab Cooperative, Inc. (Checker) taxicab slots number 3555, 3603, 3718, 3736, and 3741. He has also been Investor Shareholder for two slots number, 3707 and 3731 that have since been terminated.

The Los Angeles Department of Transportation (LADOT) conducted a taxicab inspection at Los Angeles International Airport (LAX) on March 28, 2018. Department staff inspected 14 taxicabs. The inspection involved taking random vehicles to a taxicab meter shop for examination of the meter. During the inspection Checker cab number 3707 was inspected and found to have a pulse device installed. Suren is the Investor/Shareholder of taxicab slot 3707. The meter and decals were immediately removed from the cab and Cab number 3707 was

placed out of service. Taxicab number 3707 has been decommissioned and has not been placed back into service. The Department's investigation and inspection of the 13 other taxicabs found that multiple cabs operated by Suren and members of his immediate 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, Sections 402(a), 402(b) and 403(b) as well as a violation of Section 12510(a)(5) of the Business and Professions Code and Board Order 471, Rules 201 and 429.

During the August 16, 2018, meeting the Board instructed the Department to hold Administrative Hearings regarding the alleged violations. Suren attended the Administrative hearing held August 23, 2018. Senior Investigator Barker (Barker) held the hearing. Barker asked Suren how, since the March 28, 2018 discovery of the meter in Cab 3707 he ensures that the meters installed in his taxicabs are accurate and do not have a pulse device installed. Suren stated that he only inspects the taxicabs when he assigns it to a new driver, but didn't go into detail about how in-depth that inspection was. Suren also stated that he now takes his taxis to Taxi Master's¹ for certification and Gabriel's (no further information given) for any necessary computer work. Suren did not submit proof of these statements. Barker concluded that the violation had occurred and proof of remediation had not been presented to the satisfaction of the Department. Notice of the conclusion was sent to the appellant on October 5, 2018. (Attachment 2)

PROPOSED DISCIPLINARY ACTION

The Department is recommending denial of Suren's appeal; upholding the Department's original recommendation to permanently revoke all of the taxicab slots owned and/or operated by Suren and instruct the Department that Suren 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 of 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:

"That 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

¹ Taxi Masters was identified in the Joel Grover investigation as the company that was installing pulse devices back in 2007.

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.

B19-009

JMM/pab