

BOARD REPORT  
CITY OF LOS ANGELES  
DEPARTMENT OF TRANSPORTATION

Date: April 18, 2019

To: Board of Taxicab Commissioners

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

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

**INITIATED BY**

On October 18, 2018, Simon 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" (Attachment 1) pursuant to Board Order No. 530, Sec. F.

**DISCUSSION**

Simon is the Investor/Shareholder for L.A. Checker Cab Cooperative, Inc. (Checker) taxicab slots number 3446, 3452, 3459, 3464, 3481, 3485, 3526, 3605, 3607, 3628 and 3634. He is also the Investor/shareholder of three Yellow Cab slots number; 6037, 6051, and 6591. He was also the Investor Shareholder for two Checker taxicab slots number, 3734 and 3536, which were terminated on 06/27/2017 and 3/20/2018, due to the LADOT meter tampering investigation.

On September 10, 2017, the Department received a complaint of overcharging involving Checker Cab number 3536. The amount of the overcharge led Department investigators to conclude that the taxicab might have a pulse device installed. The Department requested that a meter installation technician inspect cab number 3536 on September 20, 2017. The technician discovered a pulse device attached to

the wiring harness of the taxicab. The pulse device and the decals were removed from the vehicle, resulting in its being placed immediately out-of-service. At the time of the overcharge and the resulting inspection, Simon was the Investor/Shareholder for cab number 3536. Simon has been permanently banned from any further ownership of this taxicab slot.

The Los Angeles Department of Transportation (LADOT) conducted a taxicab inspection on March 28, 2018, at Los Angeles International Airport (LAX). This inspection involved taking random vehicles to a designated taxicab meter shop for examination of the meter. Fourteen taxis in all were inspected. Checker cab number 3605 was one of the taxis selected for inspection. During the inspection Checker cab 3605 was found to have a pulse device installed. Simon was the Investor/Shareholder taxicab 3605. The meter and LADOT decals were immediately removed and the vehicle was placed out of service.

Checker cab number 3485 was also inspected. Simon is also the Investor/Shareholder for this taxicab slot. Cab number 3485 was taken to meter shop where the technician observed wires hanging from the dash assembly behind the glove compartment. This area also contains the wiring harness for the meter, and where a pulse device could have been installed and attached to the meter's wiring harness. The wires had been snipped indicating that whatever device was attached to them had been removed.

Simon attended an Administrative Hearing on August 21, 2018. Simon stated that he does not inspect the cabs himself but instead his father Suren performs the inspections. Simon was unable to supply the last inspection date for his taxicabs. Simon stated that he did not know about the pulse devices until the inspection that occurred on March 28, 2018.

Simon stated later in the Hearing that he now inspects his taxicabs and all of his cabs go to "his" body shop whenever they need repairs. Simon is also a member of Checker's Board and has recommended a zero tolerance policy toward drivers who have these devices installed and that Checker, as a company, monitor the meter situation. He did not indicate if such monitoring should also involve the Investor/Shareholders or if the owners (Investor/Shareholders) themselves should be held responsible for ensuring that their taxicabs are in compliance with the Department's rules and regulations. He has also recommended the use of a soft taximeter<sup>1</sup>. Simon did not submit any proof of his claim that he now inspects all of his taxicabs himself or how in-depth the inspections he conducted were. It was the conclusion of the Hearing Officer that the violation had occurred and a notice of its findings were mailed to Simon Gevorkian on October 5, 2018. (Attachment 2)

The Department's investigation and inspection on March 28, 2018, found that multiple taxicabs operated by Simon and his 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 multiple sections 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.

### **PROPOSED DISCIPLINARY ACTION**

It is staff's recommendation to deny Simon's appeal; upholding the Department's original recommendation to permanently revoke all of the taxicab slots owned and/or operated by Simon and

---

<sup>1</sup> A "soft meter" is a smartphone or tablet equipped with a touchscreen that a taxi operator uses as a taximeter. Soft meters may use technology such as GPS or on-board diagnostics to calculate distance rates.

instruct the Department that Simon 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:

“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 number 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

- (c) “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.”

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.”

#### Appellant’s Statement

Please see Attachment 1 for the appellant’s statement.

B19-004

JMM/pab