

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 MARAT KHAVKIN**

RECOMMENDATIONS

That your Board:

- a. **FIND** that on June 21, 2018, the Department of Transportation (LADOT) submitted to the Board of Taxicab Commissioners (Board) a recommendation to revoke all taxicab slots owned and/or operated by Marat Khavkin (Khavkin) for multiple violations of Board Order 471 and California Business and Professions Code 12510(a)(5).
- b. **DENY** Khavkin's appeal and uphold the Department's recommendation to permanently revoke all taxicab slots owned and/or operated by him.
- c. **ADVISE** the Department that Khavkin shall not be granted authorization to operate any form of vehicle-for-hire in the City and/or County of Los Angeles.
- d. **INFORM** Khavkin 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 15, 2018, Marat Khavkin, 11901 Louise Ave., Granada Hills, California 91344, 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

Khavkin is the Investor/Shareholder for L.A. Checker Cab Cooperative, Inc. (Checker) taxicab slots number 3406, 3411, 3437, 3441, 3463, 3479, 3512, 3514, 3515, 3531, 3582, 3732 and 3735. Taxicab slot 3406 was terminated by the Department on April 5, 2018.

Authorized Taxicab Supervision (A.T.S.), the taxi management contractor for Los Angeles International Airport (LAX), conducted a hearing regarding an alleged overcharge that occurred on December 14, 2017 on January 3, 2018, by taxicab #3406. Khavkin is the Investor/Shareholder of taxi slot #3406. During the A.T.S. hearing cab number 3406 taken to "Taxi Masters," a taximeter installation station, for a more in-depth examination by a taxi meter technician. The technician found an electronic pulse device connected to the wiring harness of the meter. A.T.S. ordered the meter revoked and confiscated it,

A.T.S. did not inform LADOT of the removal and confiscation of the meter. The taxi was then returned to Khavkin.

L.A. Checker Cab advised Khavkin to replace the meter so he could operate the taxi. A new meter was installed on January 4, 2018, however, neither Khavkin nor L.A. Checker Cab notified LADOT of the new meter, a violation of Board Order 471, Rule 402. Cab number 3406 operated with the unapproved taxi meter until March 28, 2018, when the Department discovered the occurrence. LADOT removed the decals from cab number 3406 on April 5, 2018 and it was permanently decommissioned as a taxicab. Khavkin is now permanently banned from operating any taxicab under that slot number.

During the Administrative Hearing conducted on August 21, 2018, Khavkin stated that since the incident involving cab number 3406 he has instituted new policies to avoid a repeat. Khavkin now sends all of his taxis to "Taxi Masters" to be calibrated and sealed. He also uses Pinto's Meter Shop for any repairs or programming that the meters require and conducts random inspections himself. It must be noted that simply pressing buttons or looking at the fares will not activate a pulse device. These devices are manually operated by the driver through buttons that can be hidden anywhere in the driver's seating area, including the steering wheel. Khavkin was asked to submit a copy of his new inspection processes and he stated that he would try to submit a written copy to the Department by September 7, 2018. No such process was ever received by the Department.

On September 7, 2018, Sr. Investigator Patricia Barker received nine meter certificates via email from an address identified only as "RETRO¹." The certificates, bearing the name Pinto's Meter Shop, list units number 3411, 3515, 3463, 3514, 3441, 3479, 3735, 3531 and 3437. Khavkin is listed in the Department's records as the Investor/Shareholder for those cab numbers. There were no certificates for units number 3406, 3512, 3531, 3582 or 3732. The meter certificates are dated from August 28, 2018 through September 1, 2018. Nothing was submitted to verify that the meters had been tested prior to the administrative hearing date. (Attachment 2)

It was the Department's opinion that the violations had occurred. A Notice of the Department's decision was mailed to Khavkin on October 5, 2018. (Attachment 3)

On October 18, 2018, the Department received a further communication regarding the October 5, 2018, notice. (Attachment 4)

PROPOSED DISCIPLINARY ACTION

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

¹ No further identification was submitted with this email. It is unknown who or what "RETRO" represents.

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.

B19-005

JMM/pab