BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

Date: March 12, 2020
To: Board of Transportation Commissioners
From: Seleta J. Reynolds, General Manager
Subject: RECOMMENDED REVOCATION OF THREE UNRESTRICTED NON-AMBULATORY PASSENGER VEHICLE AUTHORITIES HELD BY ERNA HAMBARDZUMYAN DBA VICTORVILLE MEDICAL TRANSPORTATION FOR FAILURE TO COMPLY AND FOR VIOLATIONS OF LOS ANGELES MUNICIPAL CODE SECTIONS 71.02(A) AND 71.16.1

RECOMMENDATIONS

That your Board:

a. **Find** that repeated illegal transportation operations by Victorville Medical Transportation (Victorville) of operating unpermitted non-ambulatory passenger vehicles in the City of Los Angeles without valid vehicle permits, as required by Section 71.02(b) of the Los Angeles Municipal Code (LAMC) is grounds for revocation of three unrestricted non-ambulatory passenger vehicle permit pursuant to the provisions contained in LAMC Section 71.08.

b. **Find** that on at least two occasions Victorville violated Section 71.16.1 of the LAMC by using vehicles and decals assigned to other companies without informing the Department that it had acquired the vehicles and did not appropriately surrender the decals.

c. **Revoke** Victorville for multiple violations of LAMC Sections 71.02(b), 71.08, and 71.16.1.

d. **Direct** the Department that it may not accept any permit applications from Victorville or its principals operating under any other company name for a period of two years.

Initiated By

The Department initiated this report in view of the repeated illegal transportation operations and the company’s failure to abide by the rules and regulations of the City of Los Angeles and the Department of Transportation.

DISCUSSION

On April 14, 2011, the Board of Transportation Commissioners granted Victorville Medical Transportation, 16044 Bear Valley Road #8, Victorville, CA 92395, authorization to operate three unrestricted non-ambulatory passenger vehicles. The application submitted lists the owner as Hambardzumyan (Erna) and Yuri Hambardzumania (Yuri), as the Operations Manager; however, all
other documentation shows his last name as Hambardzumyan. All required drivers and vehicles were successfully placed into service within the 120-day deadline. The company has three vehicles in service. Those vehicles are:

VICTORVILLE MEDICAL TRANSPORTATION 15 U-5307 07/07/11 ERIC CAVARLEZ 83396A1 1FTNE1EW0BDA6204
VICTORVILLE MEDICAL TRANSPORTATION 16 U-5305 07/07/11 ERIC CAVARLEZ 16746B1 1FTNE1EW9BDA60743
VICTORVILLE MEDICAL TRANSPORTATION 17 U-5306 07/07/11 ERIC CAVARLEZ 16746B1 1FTNE1EW9BDA67136

No other vehicles have ever been placed into service for Victorville since 2011.

Company History

In February of 2017, the Department began having difficulties contacting the company. Phone calls were not answered and emails were not returned. Mail sent to the only known address for the company was returned unopened to the Department, bearing United States Postal (USPS) labels that indicated the company was no longer at the known address.

On March 9, 2018, a note filed in Victorville’s Communications File showed an attempt to leave a voice mail message for the company’s Director of Operations, Yuri resulted in the caller being transferred twice before a message could be left. On June 27, 2018, the Department received a letter from the company stating “For your record, I would like to bring it to your attention that Victorville Medical Transportation moved to now [sic] as of 2016.” (Attachment 1). A second letter regarding their new address was received on September 7, 2018. (Attachment 2) Staff amended the change of address in the computer system.

Late Payment History

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Notices of Department Action

August 16, 2017: “Notice to Cease All Transportation Operations” (LE18-182.pdf) for failure to pay required vehicle renewal fees listed on invoice NON-AMB170105409A was sent to the company’s operation location by Certified Mail. Due to the fact that the notice was sent via Certified Mail, it had to be sent to the company’s “physical address.” This invoice was finally paid on September 6, 2018. (Attachment 3)

September 18, 2017: Investigator Cavarlez spoke to Yuri regarding the company’s annual vehicle inspections. Yuri informed Cavarlez that he was considering relinquishing all authorities for Victorville, but had to consult with his mother Erna, the owner of record for the company. Cavarlez informed Yuri that he either had to pay all outstanding vehicle renewal fees, remove all vehicles from service or
relinquish all authorities and surrender the decals. Yuri stated that he would contact the Department when a decision was reached between him and his mother.

January 9, 2018: Yuri was again contacted about the pending vehicle inspections. Yuri advised Investigator Cavalerz that he would be merging Victorville with a new company he is starting, which will be known as 1(800)MEDIVAN. The merger would also involve South Coast Medical Transportation (South Coast). Yuri advised Cavalerz that he would be contacting Ms. Irene Sae Koo in regards to submitting a new application. That contact never occurred.

Documented Un-permitted Violations

First Incident – August 19, 2019 (Attachment 4)

While on regular patrol, Investigators Salazar and Richard observed a non-ambulatory passenger vehicle, California License DP054UZ bearing Victorville’s company logo and the unit #108 parked at 14600 W. Sherman Way. The investigators observed that a male approached the vehicle and entered the right front passenger seat. The investigators approached the van and after identifying themselves, asked to see the driver’s LADOT driver permit and California Driver’s License. The driver was unable to produce an LADOT driver’s permit. The investigators were also able to observe LADOT vehicle decal #6204 on the upper left rear loading door window. The investigators discovered that decal #6204 was actually assigned to another permitted company, Care America’s (Care) unit #3. Department records show that Victorville does not have a permitted vehicle designated as Unit #108.

While inspecting the vehicle, the investigators also discovered that the Check Engine light and the Tire Pressure indicator were both activated. The vehicle was placed out-of-service. The decal was recovered by the investigators and Hearing Notice #65594 was issued to the driver for the following violations:

- LAMC Section 71.02(a) – unpermitted vehicle
- LAMC Section 71.03(b) – unpermitted driver
- Board Order 257(1) – Vehicle not maintained in a safe operating condition

The Hearing Notice was later amended to be issued to the company instead of the driver, who, while unable to produce a valid permit, did in fact possess an LADOT driver permit valid for Victorville. A Notice to Cease Illegal Transportation Operations (LE19-189.pab) was issued on August 21, 2019. (Attachment 5) The Hearing Notice was sent to the company via email. The hearing was scheduled for September 5, 2019. At the request of the company, the hearing was rescheduled for September 17, 2019, at 10:00 a.m.

On September 16, 2019, Yuri contacted the Department via email stating that he had lost the citation and was requesting a second hearing date. He was advised that since the hearing had already been postponed, he needed to appear as required on September 17, 2019, at 2:30 p.m. Yuri and another employee for the company did appear in the Department’s office on September 17, 2019, but not for the hearing. Yuri stated that he never received the Hearing Notice and that the email address of record was not viable. Senior Administrative Clerk Coleman sent a test to the email address in question [yuih@smt.us] and it was received on the company’s end successfully. Yuri stated that he would return later the same date, but never showed up.

On September 27, 2019, the company was placed on Temporary Suspension due to the August 19, 2019
incident and the company’s failure to submit monies owed to the Department as well as their failure to appear as directed for the hearing.

At 12:52 p.m. on October 1, 2019, Yuri requested another 10-day extension to come to the office. He was denied this request.

Second Incident – January 15, 2020 (Attachment 7)

While conducting surveillance at the Crescent Heights Dialysis located at 8151 Beverly Blvd., Los Angeles, CA 90048, Investigators Calderon and Richard observed a non-ambulatory passenger vehicle parked on the side of the dialysis center on Kilkea Drive. The vehicle, California License 43464B1, bore the Victorville company logo and insignia identifying it as unit #102. The investigators approached the vehicle and after identifying themselves, asked the driver for his California Driver License and LADOT issued driver permit. The driver provided the investigators with LADOT permit #527734, which was current and valid for Victorville.

In addition to their examination of the permits, the investigators conducted a standard field inspection of the vehicle. The investigators found the vehicle to be operating with several deficiencies, including a non-functioning emergency brake and a right rear tail light that was out. On the left rear loading door, the investigators observed LADOT vehicle decal #US5229. A check of the Department’s records found that the decal was assigned to unit #114 assigned to permitted company, Silver Age None Emergency (Silver Age). The decal was removed from the vehicle and the vehicle was placed out-of-service. Hearing Notice #65963 was issued to the company and a hearing was scheduled for January 30, 2020. Department records show that Victorville does not have a permitted vehicle designated as unit #102.

Records indicate that this vehicle, California License 43464B1 was placed out-of-service on January 5, 2020, but the decal was not recovered until January 15, 2020 when it was discovered on the vehicle being operated by Victorville.

January 30, 2020 – Administrative Hearing

Yuri and his Operations Manager William Beale (Beale) appeared in the office to pay their vehicle renewal fees for Invoice NON-AMB19016122 which was due by March 31, 2019. The Administrative Hearing was then conducted. Attending this hearing was Yuri, Beale, and Senior Investigator Patricia Barker (Barker). During the hearing, Yuri stated that he has had no communications with the Department and had no idea what the decal issue was all about. Barker reminded him of their conversation on September 17, 2019, where he was advised that the use of another company’s decal meant his company committed a violation. He admitted to purchasing several vehicles from companies that were downsizing or closing.

Victorville stated that there were no decals on any of the vehicles when they purchased them. Yuri’s contention is that since he had purchased the vehicles and they are registered to him, there should be no issues with the decals attached to these vehicles. Yuri was shown the decals recovered from the two vehicles that were clearly being used to pick up passengers.

The mailing address of record according to Victorville is a P.O. Box. Such addresses are unable to accept Certified Mail, which is the method used by the Department to ensure the businesses receive the mailings.
At first, Yuri denied that any decals had been attached to those vehicles, but when Beale pointed out the fact that since the Department was in possession of the decals, they had to have been on the vehicles in the first place. Yuri conceded that one of the vehicles “may have had a small spot that might have been a decal on the back window.”

After hearing his testimony, Yuri was advised that it was the decision of staff to not assign a monetary penalty, but instead refer the company to the Board of Transportation Commissioners (BOTC) with a recommendation to revoke. He was advised that the reasons for this decision were:

1. A second violation involving the fraudulent use of an LADOT vehicle decal.
2. A second violation involving use of the assets of another company for the benefit of Victorville without obtaining authority to do so from the Board of Transportation Commissioners.
3. Continuing and on-going communications problem.
4. The continued failure on the part of Victorville to submit payments for vehicle permits as required by Section 71.05(d) of the LAMC.
5. Victorville’s continued use of vehicles found to be unsafe for operation.

Beale asked if there was anything the company could do to prepare for the hearing. He was advised that it would be beneficial if the company could present a viable business plan that would ensure the company would operate legally as well as come into and remain in compliance.

**Further Information**

Further investigation found that Department records indicate that Care America was sold as of May 30, 2013, to Armenak Hambardzumyan (Armenak). The BOTC granted the new owner authorization to operate seven unrestricted non-ambulatory passenger vehicles on March 13, 2014. On May 11, 2016, Yuri notified the Department that he had ceased all transportation operations for Care America because they were going to transfer the vehicle authorities to South Coast Medical Transportation, a permitted company acquired by Erna Hambardzumyan. Yuri was notified that the new owner must submit an application due to the ownership change. No application for new ownership was ever received by the Department. The Department was notified telephonically that the company had ceased all operations. However, no date of closure was listed. By October 3, 2019, all Care vehicles were removed from service; however, the decal for unit #03 was never recovered until it was discovered in use by Victorville on August 19, 2019.

**Subsequent Actions**

Beginning on February 11, 2020, Beale voluntarily began sending the Department the following LADOT vehicle decals from non-ambulatory passenger vehicles that were originally assigned to other permitted companies, but were subsequently acquired by Victorville. Each decal was attached to a piece of paper with the unit # of the Victorville unit it was removed from as well as the Vehicle Identification # (VIN). (Attachment 8)

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3Armenak is Yuri’s father and Erna is his mother.
Proposed Disciplinary Action

It is the recommendation of staff that due to the non-compliant history of the company, the repeated use of LADOT issued decals not assigned to Victorville and their failure to effect remedies, even when given ample opportunity to do so, that the Board revoke the three unrestricted non-ambulatory passenger vehicle authorities granted to Victorville and direct the Department that it may not accept any permit applications from Victorville, Yuri Hambardzumyan, Erna Hambardzumyan, or its principals operating under any other company name for a period of two years.

Applicable Regulations

Vehicle permits are addressed in LAMC Section 71.02(b) which states, in part:

“No person shall drive a non-ambulatory passenger vehicle as defined in Section 71.00 without first having obtained a non-ambulatory passenger vehicle driver permit from the Board.”

Section 71.05 states:

(d) Any money due to the Department of Transportation by any applicant for a vehicle permit, including money owed for outstanding parking tickets or other fines assessed by the Department, must first be paid, or the matter otherwise resolved to the satisfaction of the Department, prior to the issuance of such permit. (Amended by Ord. No. 166,534, Eff. 1/31/91.)

Authorized use of City issued decals is addressed in LAMC Section 71.16.1(a), which states:

(a) “Each vehicle, other than taxicabs, operated pursuant to a permit issued under the provisions of this Article shall be identified as such by decals or other suitable means as adopted by the Board. Such identification shall be displayed as specified by the Board. Identifying decals shall be provided by the Board for such purpose upon payment of the Vehicle Decal fee specified in Section 71.06.1. No person shall identify any vehicle by means of such decal, or any facsimile thereof, unless authorized to do so by the regulations of the Board.”

Grounds for revocation of permits is addressed in LAMC Section 71.08, which states:

The following shall constitute grounds for denial, revocation, suspension or cancellation of any driver, attendant, or vehicle permit for which this article makes provision:

(b) “Violation of any rule or regulation of the Board, any section of the Los Angeles Municipal Code, 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 vehicle defined in Sec. 71.00 and for which a permit is required under this code.”

Waiver of hearing is addressed in Section 71.09(d), which states:

“Failure of permittee to respond to a notice to appear for a hearing before the General Manager of the Department or his authorized representative or before the Board is a waiver of the right to a hearing and action may be taken without permittee being present.”
Board Order 580 states, in part:

"Any occurrence/incident may have multiple violations and each violation will be reviewed and assessed independently. Any three occurrences/incidents of violations within a 12-month period may result in the Department’s recommendation to the Board to revoke all existing permits and impose a probationary period, for no less than one year, during which time no new applications will be accepted. Furthermore, depending on the severity of the violations(s), the Board may revoke all existing permits after the first or second violation and impose a probationary period of no less than one year."

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