Date: July 8, 2021

To: Board of Transportation Commissioners

From: Seleta J. Reynolds, General Manager

Subject: RECOMMENDED REVOCATION OF TWELVE UNRESTRICTED VEHICLE AUTHORITIES HELD BY REZA MOMENI DBA CYRUS SERVICES, INC. FOR FAILURE TO COMPLY AND EXCESSIVE VIOLATIONS OF LOS ANGELES MUNICIPAL CODE §71.02(A), 71.03(B), AND 71.04.1

RECOMMENDATIONS

That your Board:

a. **Find** that between December 10, 2020, and May 17, 2021, Cyrus Services Inc. (Cyrus) committed 23 violations of Los Angeles Municipal Code (LAMC) §71.02(a) – unpermitted vehicle, by repeatedly transporting passengers and patients using non-ambulatory and gurney passenger transportation vehicles for which the company did not possess the required valid vehicle permits issued by the Department resulting in an assessed Monetary Penalty of $22,250.00. The violations are grounds for revocation of Cyrus’s 12 unrestricted vehicle permits pursuant to the provisions contained in LAMC §71.08.

b. **Find** that that during the same time period Cyrus committed 53 violations of LAMC §71.03(b) – unpermitted driver, by repeatedly transporting passengers and patients using drivers that did not possess valid non-ambulatory passenger vehicle driver permits as required by the LAMC for an assessed Monetary Penalty of $52,250.00. The violations are grounds for revocation of Cyrus’s 12 unrestricted vehicle permits pursuant to the provisions contained in LAMC §71.08.

c. **Find** that Cyrus also committed one violation of LAMC §71.04.1 – unpermitted non-ambulatory passenger attendant by transporting a gurney patient using a person that did not possess a valid LADOT driver or attendant permit as required by the LAMC for an assessed penalty of $500.00.

d. **Find** that 77 confirmed violations were committed by Cyrus and the total assessed monetary penalty fees of $75,000.00 necessitates further disciplinary action from the Board of Transportation Commissioners (Board) up to and including the recommendation of revocation of Cyrus’s 12 operating permits.

e. **Revoke** Cyrus’s authorization to operate a passenger transportation service due to multiple violations of LAMC §71.02(a) – unpermitted vehicle, §71.03(b) – unpermitted driver and §71.04.1 – unpermitted attendant.
f. **Direct** the Department that, effective immediately, it may not accept any permit applications from Cyrus, the owner(s), its principals, and/or stockholders 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 by Cyrus and the company’s failure to abide by the rules and regulations of the City of Los Angeles and the Department of Transportation.

**DISCUSSION**

**Authorization History**

May 9, 2019 – the Board granted authorization to Reza Momeni DBA Cyrus Service, Inc., 15720 Ventura Blvd., Encino, CA 91436 to operate three unrestricted non-ambulatory passenger vehicles. All three vehicles, Units number 214, 215, and 313 were inspected and placed in-service by September 30, 2019.

Authority #12605 – on July 29, 2020, Cyrus submitted an application for three additional unrestricted non-ambulatory passenger vehicles. The company voluntarily terminated this application on August 4, 2020, and the authority was closed.

Authority #12666 – on October 12, 2020, Cyrus was granted authorization to operate three unrestricted non-ambulatory-gurney\(^1\) vehicles. Unit’s #311, #312, and #314 are assigned to this authority but have not yet been placed into service as of the date of the violations due to mechanical issues. The company was granted four extensions to place the vehicles in-service.

Authority #12705 – this authority for one unrestricted non-ambulatory passenger vehicle was granted on February 5, 2021 and currently has a status of “pending.” As of the date of this report, no vehicles have been presented for inspection. The deadline to do so is July 5, 2021.

Authority #12719 – authority was granted to Cyrus to operate two public transportation-non-medical transportation vehicles (PTV/NMT) on March 26, 2021. This authority is also in “Pending” status and no vehicles have been presented for inspection. The deadline to do so is August 23, 2021.

**Driver History**

Ortega, Hugo Ramon (CDL: E2292717): an application for a non-ambulatory passenger-gurney driver permit was submitted to the Department on May 12, 2021. His LADOT permit was processed and completed on May 26, 2021. The Department’s records show that documentation confirming his certification for CPR and First Aid was not submitted until May 24, 2021.

Benitez, Agustin Valentin (CDL: Y3482873): an application was submitted to the Department on November 11, 2020. No permit was issued until June 2, 2021, because the company did not submit the required certification for First Aid and CPR or EMT1 until June 1, 2021.

---

\(^1\) A non-ambulatory – gurney vehicle is one that is configured to carry passengers or patients that use wheelchairs or are confined to gurneys. Such vehicles are required by LADOT to have a two person crew.
Momeni, Maral: Ms. Maral appears in the spreadsheets five times as a driver. Staff was unable to find any evidence that Cyrus has ever submitted an application for a driver and/or attendant permit for her.

**Documented Violations**

December 2, 2019: Hearing Notice #65961 was issued to the company for alleged violations of LAMC §71.03(b) – unpermitted driver and §71.04.1 – unpermitted attendant. As a result of the hearing held on December 19, 2020, all alleged violations were dismissed.

March 10, 2021: Hearing Notice #65972 was issued for violation of LAMC §71.02(a) – unpermitted vehicle. At the conclusion of the hearing, a $500.00 Monetary Penalty was assessed.

March 11, 2021: Hearing Notice #100171 was issued for violation of LAMC §71.03(b) – unpermitted driver (Andrew Alizdeh Khabbaz). At the conclusion of the hearing, a $500.00 Monetary Penalty was assessed.

**Current Issue**

May 17, 2021: While on patrol, Investigator Joe Richard (#1013) observed a medical transportation vehicle bearing the California license plate 64609E2, the Cyrus company logo and designated as unit #313 pulled into the Sherman Oaks Medical Plaza, located at 4955 Van Nuys Blvd., Sherman Oaks, CA 91403 and park. On the upper left hand corner of the left rear cargo door was displayed LADOT vehicle decal #7593.

An adult male exited the vehicle and entered the facility. When he exited the facility, Investigator Richard approached, identified himself as an LADOT Investigator and asked to see the his LADOT issued permit. The male stated he did not have a permit, identified himself only as “Hugo”, and refused to show Investigator Richard his driver license. The male was later identified through Department records as Hugo Ramon Ortega (Ortega).

As Investigator Richard approached the vehicle, he observed a gurney-bound patient in the back passenger area of the vehicle. Investigator Richard approached the driver of the vehicle and asked to see his LADOT driver permit. The driver, identified as Agustin Valentin Benitez (Benitez) (CDL #Y3482873), stated that he had left his permit at home.²

Investigator Richard was able to determine, through Department records that at the time of this incident, Unit #313 had a status of “Out-of-Service” indicating that the vehicle was not to be used as a passenger transportation vehicle within the City of Los Angeles. He was also able to verify that neither Benitez nor Ortega possessed valid LADOT driver or attendant permits.³ Investigator Richard issued Hearing Notice #100183 to the company for alleged violations of §71.03(b) – unpermitted Driver and §71.04.1 – unpermitted attendant. (Attachment 1)

**Investigation**

Investigator Richard requested dispatch records for Unit #313 for the period of April 1 through May 17, 2021. Examination of the spreadsheet received on May 18, 2021, indicated that 159 trips total occurred

---

² Benitez was not issued an LADOT driver permit until June 2, 2021.
³ Ortega was not issued a permit until May 26, 2021.
within the City of Los Angeles during that time period. All of the vehicles used showed a status of “Out-of-Service” during that time period. The same spreadsheet also showed Benitez as the driver for 11 of the 159 trips, and Ortega as the driver eight times. (Digital Attachment 2)

The company submitted additional dispatch records which were received the same date. This second spreadsheet, covering the time period of December 10, 2020 through May 11, 2021 was restricted to trips involving Benitez as the driver. Examination of this spreadsheet shows that Benitez drove a number of Cyrus vehicles, all of which were listed in the Department’s system as “Out-of-Service.” However, it also lists two vehicles, Units #316 and #317 that have never been inspected or placed in-service. Staff was unable to find any evidence that Cyrus has ever submitted applications for these vehicles. This spreadsheet shows 23 trips that originated within the City of Los Angeles involving Units #316 and #317. (Digital Attachment #3)

In total, the investigation uncovered 182 potential violations. Staff was unable to find evidence in the records that Cyrus was ever officially notified that the status of their vehicles had changed to “Out-of-Service.” Therefore, examination of both spreadsheets was confined to those violations where there was no ambiguity regarding the unpermitted status of the driver(s), attendant or vehicle(s). This resulted in 84 alleged violations out of 182 incidents.

May 25, 2021 Administrative Hearing

Ms. Maral Momeni (Momeni) attended the hearing as the representative for Cyrus. Also attended was Senior Transportation Investigator Patricia Barker (Barker). Momeni was asked why the company was operating with unpermitted vehicles, drivers, and attendants. She responded that she had submitted applications for driver permits to the Department and assumed they had permits. She also stated that she examines the drivers’ permits on a daily basis, yet was unable to explain why she was unaware that both Benitez and Ortega did not have valid LADOT permits on the days they were assigned as driver and attendant.

Momeni did not submit any evidence to refute the information contained in the spreadsheets. However, just before the conclusion of the hearing, she did state that Ortega was not actually working, but was instead, “in training.” However, entries on the spreadsheets submitted by Cyrus indicate that Ortega worked as a driver on nine different days and when cited, appeared to be actively participating in the transport of the gurney patient. Momeni did not contribute any further information.

Based on the information obtained, staff came to the conclusion that the May 17, 2021 violations as well as the violations listed in the trip logs/spreadsheets had occurred. Momeni was advised that review of the dispatch records submitted by her company confirmed a large number of illegal transports (84) with a potential Monetary Penalty assessment of $75,000.00. Due to the extraordinarily high violation count as well as the high Monetary Penalty proposed, she was also advised that staff’s recommendation would be to submit the company to the Board for further disciplinary action up to and including revocation of her company’s authorization to operate a passenger transportation service.

Potential Monetary Penalty Assessment

The assessments were based on verified unpermitted vehicles and personnel. Only one trip per incident/occurrence was considered. As a result of the investigation and examination of Attachments

---

4 When an employee is “in training,” they are allowed to observe only and may not participate in any part of the transport at any time until their training has been completed.
#2 and #3, the following violations were confirmed:

LAMC §71.02(a) – unpermitted vehicle. Units #316 and #317. Twenty-three confirmed violations:

Board Order 580 1(a) assesses the following monetary penalties:

Monetary Penalty Table – penalties are progressive

<table>
<thead>
<tr>
<th>1st Violation</th>
<th>2nd Violation</th>
<th>3rd or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500</td>
<td>$750</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

1st violation: $500  
2nd violation: $750  
3rd-23rd violation: $21,000  
Total: $22,250

LAMC §71.03(b) – unpermitted driver. Benitez, Momeni, and Ortega. 53 confirmed violations:

Board Order 580 1(b) assesses the following monetary penalties:

Monetary Penalty Table – penalties are progressive

<table>
<thead>
<tr>
<th>1st Violation</th>
<th>2nd Violation</th>
<th>3rd or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500</td>
<td>$750</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

1st violation: $500  
2nd violation: $750  
3rd-23rd violation: $51,000  
Total: $52,250

LAMC §71.04.1 – unpermitted attendant. Ortega. One confirmed violation:

Board Order 580 1(d) assesses the following monetary penalty:

Monetary Penalty Table – penalties are progressive

<table>
<thead>
<tr>
<th>1st Violation</th>
<th>2nd Violation</th>
<th>3rd or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500</td>
<td>$750</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

1st violation: $500

Total assessed Monetary Penalty: $75,000.00

RECOMMENDED DISCIPLINARY ACTION

Due to the company’s failure to comply with the City’s rules and regulations, the extensive use of unpermitted vehicles, drivers and attendants, including Ms. Momeni herself, the extraordinary number of violations confirmed and the potential for harm to the public, it is the recommendation of staff that the Board not invoke the assessed $75,000.00 Monetary Penalty and instead revoke all authorizations granted to Cyrus effective immediately, and direct the Department that it may not accept any future permit applications for passenger transportation from Cyrus, Reza and/or Maral Momeni, and/or other owners or principals for a period of two years. Additionally, after the expiration of the two-year exclusion period, any future applications submitted shall require submission of a $75,000.00 Good Faith
Performance Bond

Applicable Regulations

Vehicle permits are addressed in LAMC §71.02(a) which states, in part:

“No person or corporation shall drive, operate, or use, whether as owner, lessor, lessee or otherwise, any of the vehicles defined in Section 71.00 to pick up or attempt to pick up passengers within the limits of the City of Los Angeles, or allow or permit to be operated, driven, or used, whether as owner, lessor, lessee, or otherwise, any of the vehicles defined in Section 71.00 to pick up or attempt to pick up passengers within the limits of the City of Los Angeles, unless a written vehicle permit for the operation of such specifically defined vehicles has been obtained from the Board . . .”

Driver permits are addressed in LAMC §71.03(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.”

Non-Ambulatory attendant permits are addressed in LAMC §71.04.1, which states:

“No person shall act as a non-ambulatory passenger vehicle attendant in a non-ambulatory passenger vehicle as defined in §71.00 unless such person holds a non-ambulatory passenger vehicle attendant permit or an ambulance attendant permit from the Board.”

Requirements for transporting a passenger on a gurney are addressed in Board Order 598(D) (1), which states:

“1. No person shall transport a passenger on a gurney unless:
   a. There is in the vehicle at least (1) driver or attendant possessing a valid Emergency Medical Technician I certificate or its equivalent for trips covered by MedicCare, MediCal or other recognized medical insurer.”

Grounds for revocation of permits is addressed in LAMC §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

5 A term that generally describes honest dealing. A performance bond (or contract bond) is a guaranty issued by a third-party guarantor (also known as a surety) to one party to a service contract. The guarantor assumes financial responsibility for the service provider’s failure to meet specific contractual obligations. The guarantor is most often a bank or an insurance company that ensures that a contractor fulfills the obligations of the projects assigned to him.
Waiver of hearing is addressed in §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.”

Monetary Penalties are addressed in §71.09.2(a), which states:

“Monetary penalties may be levied against an individual permit holder in lieu of or in addition to suspension, revocation or cancellation of permits as described in Sec. 71.09. Monetary penalties may be levied on a per violation or a per day basis and may escalate on a first, second, or third violation basis. Violations which endanger the public health, welfare, and/or safety shall receive the maximum penalties.”

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.”