


BOARD REPORT  
CITY OF LOS ANGELES  
DEPARTMENT OF TRANSPORTATION

Date: June 8, 2023

To: Board of Transportation Commissioners

From: Connie Llanos, Interim General Manager 

Subject: **APPEAL OF EMPIRE TRANSPORTATION, INC. (ID #2546), CONCERNING THE DEPARTMENT'S ASSESSMENT OF A \$1,000 MONETARY PENALTY FOR VIOLATION OF LOS ANGELES MUNICIPAL CODE §71.02(A) AND 71.03(B) AS REQUIRED BY BOARD ORDER 580**

**RECOMMENDATIONS**

That your Board:

- a. **Find** that Empire Transportation, Inc. (Empire) was found operating an unpermitted vehicle, a violation of Los Angeles Municipal Code (LAMC) §71.02(a) - unpermitted vehicle and operating that vehicle using an unpermitted driver, a violation of LAMC §71.03(b) - unpermitted driver.
- b. **Find** that Empire's violation history proves that the company has been, and is aware that operation of unpermitted vehicles and the use of unpermitted drivers and/or attendants are violations of the LAMC.
- c. **Deny** Empire's appeal; confirm the assessment of the required \$1,000 monetary penalty assessment, and in addition, place the company on a one-year probationary period.
- d. **Inform** Empire that the penalty has been assessed and must be paid within 30 days from the date of the Board's decision and impose a probationary period of one year from the date of the Board's decision in which any further violations will result in revocation without further action from the Board.

**INITIATED BY**

On April 13, 2023, Empire submitted, via email, a request to appeal to the Board of Transportation Commissioners (Attachment #1) pursuant to Board Order No.600, Sec. H.

**DISCUSSION**

Empire has been authorized to operate a restricted passenger transportation service since 2004 and is currently authorized to operate nine Public Transportation Vehicles and seven Non-ambulatory Passenger vehicles.

Current Incident - March 24, 2023, approximately 1:38 pm:

Investigators observed unpermitted Empire Unit #341 picked up a patient from AltaMed Grand Plaza, located at 619 N. Grand Ave., Los Angeles. (Attachment #2) The Investigators approached the driver, identified as Jose Rosario Duran (Duran), and asked to see his LADOT driver permit. Duran advised the investigators that he did not have one in his possession, but his company was taking care of it. The investigators issued Hearing Notice #66078 for violations of §71.02(a) - unpermitted vehicle and §71.03(b) - unpermitted driver of the LAMC.

When the investigators returned to the office and examined Duran's permit history, it was discovered that Duran did not, in fact, have a valid LADOT driver permit.

Administrative Hearing - April 6, 2023

Mr. Ulyses Serpas (Serpas) attended the hearing on April 6, 2023 as the company representative for Empire. After hearing all evidence, the Investigator conducting the hearing concluded that the violations had occurred and assessed Empire a monetary penalty of \$1,000. On April 13, 2023, the company submitted an email requesting to appeal the decision. (Attachment 1)

**COMPANY VIOLATION HISTORY** (See Attachment #3)October 11, 2022, approximately 1:05 pm:

Empire's unpermitted Unit #340 was observed picking up a patient from AltaMed Plaza located at 701 W. Cesar E. Chavez Ave. Upon interviewing the driver, the Investigator found that the driver, Rene Castillo De Leon (De Leon), did not possess a valid LADOT driver permit. The Investigator issued hearing notice #66007 for violation of LAMC §71.02(a) - unpermitted vehicle and §71.03(b) - unpermitted driver.

Administrative Hearing - October 20, 2022

Serpas attended the hearing as a representative for the company. After hearing all the evidence, the Investigator conducting the hearing found the violations had occurred and assessed a monetary penalty of \$500. Due to delays in the permitting process, the Investigator dismissed the alleged violation for an unpermitted driver with a warning. The company was assessed a monetary penalty of \$500 for the unpermitted vehicle and given a warning for the unpermitted driver. The monetary penalty was paid by Empire on October 20, 2022.

November 5, 2021, approximately 4:05 pm:

Investigators observed an unpermitted Empire vehicle pick up a patient from Los Angeles Downtown Medical Center, located at 1711 Temple St., in the City of Los Angeles. When interviewed, the driver Martha Candelaria Quintana (Quintana) was unable to produce proof that she possessed a valid LADOT driver permit. The Investigator issued hearing notice #100263 for violations of LAMC §71.02(a) - unpermitted vehicle and §71.03(b) - unpermitted driver.

After the administrative hearing on November 16, 2021, Empire was assessed a monetary penalty of \$500. The penalty was paid by Empire on November 16, 2022.

Empire's pre-TAVIS historical violation history can be found in Attachment #3.

#### **ADDITIONAL INFORMATION**

While conducting research for this report, the following information was uncovered in the TAVIS system:

##### March 24, 2023 Violation

Duran's application, submitted by Empire on June 15, 2022, was rejected on June 28, 2022, because the California Driver License (CDL) submitted with the application was expired. No new application has been received.

##### October 11, 2022 Violation

Empire did not submit an application for De Leon until November 11, 2022, one month after this incident. The permitting process was never completed, nor was payment submitted by Empire and no permit was ever issued. No new application has been received from Empire.

##### November 5, 2021 Violation

Empire submitted an application for Quintana on May 11, 2021. That application was terminated by the Department on December 9, 2021, because the company never completed the processing. No permit was ever issued to Quintana. Empire submitted a new application for Quintana on June 15, 2022. That application has not been processed because the required processing fee has not been submitted by the company.

#### **PROPOSED DISCIPLINARY ACTION**

Empire's length of time as a permitted company (since 2004), along with their historic and recent violation history shown in TAVIS, indicates that Empire has known that use of unpermitted vehicles and unpermitted drivers is illegal. Also, while Empire submits applications for their drivers, they either do not complete the processing or submit the applications in an "after the fact" process, leaving their drivers vulnerable to enforcement, including the possibility of arrest.

It is the strong recommendation of staff that Empire be assessed the \$1,000 monetary penalty, and due to their violative history, be placed on a one year probationary period wherein any violation of any Board Order, rule, regulation, law or Municipal Code section shall result in the revocation of Empire's entire authorization with the stipulation that the company may not reapply for a period of one year from the date of the Board's decision.

Applicable Regulations

Los Angeles Municipal Code Section 71.02{a} states:

"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; provided, however, that no vehicle permit shall be required for the operation of any vehicle under and in accordance with the terms and conditions of a franchise granted by the City of Los Angeles."

Los Angeles Municipal Code Section 71.03{b} states:

"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."


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."

Appellant's Statement

Mr. Serpas stated in his "Request for Hearing Before the Board of Transportation Commissioners" that "This email is in regards to a Hearing Notice # 66078 issued on Thursday April 6, 2023. We would like to proceed with an appeal hearing for this citation. As you are well aware, we have tried all possible manner to get guidance and assistance for the website portal in order to obtain drivers and vehicles permit, without any success.<sup>1</sup> Therefore, we are requesting the hearing form needed for this appeal as early as possible. In fact, we are reaching out to you because we couldn't get any response after trying in all possible manners to get the form and submit the appeal. Please send me the form and provide me with the guidance needed." [sic] (Attachment 1.)

<sup>1</sup> As of April 19, 2023, Empire had 2 open slots that were available for the placement of new vehicles. Staff was unable to find any evidence that Empire has submitted an application to increase their permitted fleet size.

Denied: 6/8/2023  
Board of Transportation Commissioners  
  
Commission Executive Assistant