


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 MONETARY PENALTY OF \$1,000.00 ASSESSED ON MAY 5, 2023 AGAINST SMOOTH RIDE SERVICES AND IMPOSITION OF A ONE-YEAR PROBATIONARY PERIOD**

RECOMMENDATIONS

That your Board:

- a. **Find** that MDPD Transportation Inc. DBA Smooth Ride Services (Smooth Ride) was found performing an illegal passenger transport utilizing an unpermitted vehicle, a violation of Los Angeles Municipal Code (LAMC) §71.02(a) — unpermitted vehicle and an unpermitted driver, a violation of LAMC §71.03(b) — unpermitted driver.
- b. **Find** that after conducting an Administrative Hearing on May 4, 2023, Smooth Ride was found guilty of violating LAMC §71.02(a) and §71.03(b) and was assessed the appropriate monetary penalty of \$1,000.00.
- c. **Deny** Smooth Ride's appeal of the Department's May 4, 2023, decision and confirm the assessment of a \$1,000.00 monetary penalty and impose a one-year probationary period to begin from the date of the Board's decision.
- d. **Inform** Smooth Ride that payment of the monetary penalty must be received by the Department no later than 30 calendar days from the date of the Board's decision, and additionally, any further violations within the one-year probationary period will result in immediate revocation of Smooth Ride for one-calendar year.

INITIATED BY

On May 4, 2023, Smooth Ride submitted a "Request For Hearing Before The Board of Transportation Commissioners (Attachment 1) pursuant to Board Order 600, Section H.

DISCUSSION

On May 13, 2021, the Board approved the application for MDPD Transportation, Inc. DBA Smooth Ride Services (Co. ID #2662) to operate three unrestricted non-ambulatory passenger vehicles as wheelchair transport.

On June 16, 2022, the company was granted a fleet increase of two non-ambulatory passenger vehicles to also be used for wheelchair transportation bringing the company's total authorized vehicle permits to five.

Company's Violation History

September 6, 2021: While monitoring the 1700 block of E. Cesar Chavez Blvd [sic] (White Memorial Medical Center), a Department Investigator observed a permitted non-ambulatory passenger vehicle (License: 38831P2), bearing the Smooth Ride name, as well as Unit #29, and a Los Angeles Department of Transportation (LADOT) decal (#8066), parked in the parking lot. The Investigator approached the driver, later identified as Eduard Khachikyan (Khachikyan) and requested to see his LADOT driver permit. Khachikyan was able to produce his California Driver License (#Y2945772), but stated he did not have his LADOT permit in his possession. A check of the Department's Taxicab, Ambulance and Vehicle for Hire System (TAVIS) showed that Khachikyan did not possess the required driver permit from LADOT, and in fact, TAVIS records show that Smooth Ride did not submit an "Application for Driver Permit" for Khachikyan until September 28, 2021 at 11:46 am, which was after a citation was issued..

Hearing notice #100226 was issued to the company for the violation of Los Angeles Municipal Code (LAMC) §71.03(b) — unpermitted driver. The Administrative Hearing was scheduled for September 30, 2021. As a result of the hearing, Smooth Ride was assessed a \$500 monetary penalty, which was appealed by the company. At the Board of Transportation Commission (Board) meeting of December 9, 2021, the Board rejected Smooth Rides' appeal and assessed the monetary penalty. Smooth Ride paid the penalty on December 15, 2021.

November 19, 2021: A Department Investigator observed an unpermitted Smooth Ride non-ambulatory passenger vehicle parked at 5108 W. Sunset Blvd. Upon approaching the driver, the Department Investigator confirmed that the vehicle did not possess the required LADOT vehicle permit. The driver was permitted. Hearing notice #100269 was issued to the company for the violation of LAMC §71.02(a) — unpermitted vehicle. The Administrative Hearing was scheduled for November 30, 2021. As a result of the hearing, the company was assessed a monetary penalty of \$500.00. The penalty was paid by the company on December 15, 2021.

Current Incident— April 25, 2023

A Department Investigator observed a non-ambulatory passenger vehicle (California License plate 74118B2) bearing the Smooth Ride name and unit number 37, enter the parking lot of USC Davita Dialysis Clinic located at 2310 Alcazar Street and park. The Investigator observed the driver, later identified as Michel Avila Higuera, exit the vehicle and enter the clinic. Higuera returned to the vehicle a few minutes later without a passenger.

At approximately 1:30 pm, Higuera re-entered the clinic then exited with a female patient in a wheelchair. Higuera loaded the patient into the van and secured her for transport. The Investigator approached Higuera after he exited the vehicle, identified himself, and asked to see Higuera's driver's license, Los Angeles Department of Transportation (LADOT) driver permit, and the vehicles' LADOT permit. Higuera was able to provide his driver's license information and the vehicle

registration, but was unable to provide an LADOT driver or vehicle permit. Smooth Ride was issued Hearing Notice #65818 for the violations of (LAMC § 71.02(a) — unpermitted vehicle and 71.03(b) — unpermitted driver. The hearing was scheduled for May 4, 2023.

A check of TAVIS shows Higuera did not possess the valid LADOT driver permit required for the operation of passenger transportation within the City of Los Angeles at the time of this incident. The Taxicab, Ambulance, and Vehicle for Hire System records indicate that Higuera's application, which is still pending, was not submitted to the Department until 2:26 pm. on April 25, 2023, after Higuera was initially approached. The current status of his application as of May 11, 2023 shows "PENDING". (Attachment #2)

The TAVIS system shows that Unit #37, License 74118B2 (VINIFMZKICMXHKA47490) was placed into service as a non-ambulatory wheelchair vehicle with Angels Transportation, Inc. (Co. ID #2485) on February 1, 2018 and ultimately removed from service on March 7, 2023. There are no records indicating that Smooth Ride ever requested the vehicle be placed back into service under their company name.

Administrative Hearing — May 4, 2023

In attendance at the hearing were Mr. Peter Daglian (Daglian) as the company representative for Smooth Ride and Investigator Ron Haywood. After hearing all evidence presented, Investigator Haywood concluded that the violations, as stated on the hearing notice, had occurred and assessed a monetary penalty of \$500 for violating LAMC §71.02(a) — unpermitted vehicle and \$500 for the 71.03(b) — unpermitted driver violation. When advised of the amount of the monetary penalty, Daglian stated that "we are guilty of the charges but I'm not paying that much so you gotta work with me. I'll pay for one but not both, that's just too much money and we can't afford it." Daglian also stated that "we've been waiting around for processing and I'm not gonna keep waiting around for that, I'm gonna put guys to work and take the chance. What are the odds of getting caught?" (Attachment #3)

PROPOSED DISCIPLINARY ACTION

It is staff's recommendation that the Board uphold the decision of the Department and assess the \$1,000.00 monetary penalty, and in addition, impose a one-year probationary period. Advise Smooth Ride that payment must be submitted to the Department no later than 30 calendar days from the date of the Board's decision and advise Smooth Ride that any further violations within the one-year probationary period will result in immediate revocation of Smooth Ride's authorization to operate any passenger transportation service without further action by the Board for one-year from the date of the revocation wherein the company may not submit any application to the Department.

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:

(b) 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.

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."

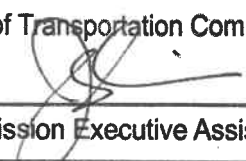
Board Order 580, states, in part:

"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

Daglian stated in his "Request for Hearing Before the Board of Transportation Commissioners" that, "Ticket fee too much cannot pay" and Too much too pay for violations" [sic]

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Denied: 6/8/2023
Board of Transportation Commissioners

Commission Executive Assistant