


BOARD REPORT  
CITY OF LOS ANGELES  
DEPARTMENT OF TRANSPORTATION

Date: August 10, 2023

To: Board of Transportation Commissioners

From: Connie Llanos, Interim General Manager 

Subject: **APPEAL OF EMPIRE TRANSPORTATION (CO. ID #2546) REGARDING THE COMPANY'S JULY 27, 2023, VIOLATION OF LOS ANGELES MUNICIPAL CODE § 71.02(A) - UNPERMITTED VEHICLE AND 71.03(B) - UNPERMITTED DRIVER**

**RECOMMENDATIONS**

That your Board:

- a. **Find** that on June 8, 2023, the Board of Transportation Commissioners (Board) denied Empire Transportation (Empire) appeal of a \$1,000 monetary penalty and upheld staff's recommendation to place the company on a one-year probationary period with the provision that any further violations within the one-year period will result in immediate revocation.
- b. **Find** that on June 27, 2023, Empire was found in violation of Los Angeles Municipal Code (LAMC) § 71.02(a) – unpermitted vehicle and 71.03(b) – unpermitted driver.
- c. **Deny** Empire's appeal of the Department's July 6, 2023, Administrative Hearing findings.
- d. **Confirm** Empire's immediate revocation.
- e. **Inform** staff that no further applications from Empire will be accepted for a period of one year.

INITIATED BY

On July 6, 2023, Empire submitted a Request For Hearing Before the Board of Transportation Commissioners (Attachment 1), pursuant to Board Order 600, § H.

**DISCUSSION**

On March 24, 2023, Department investigators observed the driver from unpermitted Empire unit #341 pick up a patient from AltaMed Grand Plaza, located at 619 N. Grand Avenue. Upon further investigation, it was found that the driver did not possess a current valid Los Angeles Department of

Transportation (LADOT) driver permit<sup>1</sup>. The Investigators issued Hearing Notice #66078 to the company for the violations. The administrative hearing was scheduled for April 6, 2023.

After the administrative hearing, staff formed the conclusion that the company was, in fact, in violation of LAMC § 71.02(a) and 71.03(b) and assessed a \$1,000 monetary penalty. Empire appealed the decision, and their hearing before the Board was scheduled for June 8, 2023.

Further investigation found that Empire has an extensive violation history for the same violations dating back to 2004. Due to the lengthy violation history, staff added the recommendation that Empire be placed on a one-year probationary period, wherein any new violations that occurred within the probationary period would result in revocation without further action from the Board.

On June 8, 2023, the Board heard Empire's appeal regarding the March 24, 2023 violation of LAMC § 71.02(a) – unpermitted vehicle and 71.03(b) – unpermitted driver where the Board denied Empire's appeal and confirmed the monetary penalty and probationary period. (Attachment 2)

#### Current violation

On June 27, 2023, an investigator observed Empire's unpermitted unit #277 pull into the parking lot of White Memorial Hospital located at 1720 E. Cesar Chavez Avenue. This address is located within the City of Los Angeles. The driver, later identified as Mario Caceres, entered the hospital; returned with a patient in a wheelchair; and then loaded the patient into the van.

When the Investigator approached the driver, Caceres was unable to produce the required LADOT driver permit. Caceres advised the Investigator, in Spanish, that he was waiting for Empire to provide him with a permit. (Attachment 3)

Department records indicate that Caceres held a prior non-ambulatory wheelchair permit valid for Empire. That permit, #621281, expired on June 16, 2023. The application for the second permit, #627832, was requested by Empire on June 22, 2023, six days after Caceres's permit expired, and is in "PENDING" status as of June 28, 2023 because the company failed to submit proper documents and the processing fee is unpaid.

Department records further show that unit #277 was placed Out-Of-Service, and the decal removed on August 26, 2022 because the vehicle had reached its 15-year age limit.

Hearing Notice #65844 was issued to Empire with an administrative hearing date of July 6, 2023. Per the requirements of Board Report B23-007.pab, the company was placed in "Temporary Suspension" pending revocation until the hearing date. On June 29, 2023, a "NOTICE TO CEASE ALL TRANSPORTATION OPERATIONS" was sent to Empire and their contract company, AltaMed. (Attachment 4)

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<sup>1</sup> The application Empire submitted for the unpermitted driver (Duran) was rejected by the Department on June 22, 2022 because the California Driver License submitted with the application was expired. Empire did not submit a new application for Duran.

July 6, 2023 Administrative Hearing

Attending the hearing was Bertha Aguirre, Ulysses Serpas, along with Eduardo representing Empire and Senior Investigator Eric Cavarlez (Cavarlez) representing the Department.

During the hearing, Empire did not dispute the violations and Cavarlez concluded that the violations had occurred. Due to the prior Board report, no monetary penalty was assessed and Empire immediately submitted a "Request for Hearing Before the Board of Transportation Commissioners." (Attachment 1)

**PROPOSED DISCIPLINARY ACTION**

Staff strongly recommends that the Board adhere to the decision made at the June 8, 2023 Commission meeting, and instruct staff that if it has not already done so, immediately revoke Empire Transportation's authorization to operate any passenger transportation service within the City of Los Angeles for a period of one year.

Applicable Regulations

Los Angeles Municipal Code § 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 § 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."

California Government Code, Section 54956.7 states:

**Closed Sessions Regarding Application from Person with Criminal Record**

Whenever a legislative body of a local agency determines that it is necessary to discuss and determine whether an applicant for a license or license renewal, who has a criminal record, is sufficiently rehabilitated to obtain the license, the legislative body may hold a closed session with the applicant and the applicant's attorney, if any, for the purpose of holding the discussion and making the determination. If the legislative body determines, as a result of the closed session, that the issuance or renewal of the license should be denied, the applicant shall be offered the opportunity to withdraw the application. If the applicant withdraws the application, no record shall be kept of the discussions or decisions made at the closed session and all matters relating to the closed session shall be confidential. If the applicant does not withdraw the application, the legislative body shall take action at the public meeting during which the closed session is held or at its next public meeting denying the application for the license but all matters relating to the closed session are confidential and shall not be disclosed without the

consent of the applicant, except in an action by an applicant who has been denied a license challenging the denial of the license.

APPELLANT'S STATEMENT

"Further want to discuss the negative impact of the changes made to process of permitting drivers and vehicles." [Sic] (Attachment 1)

JMM/pab

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