


BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

Date: February 8, 2024

To: Board of Transportation Commissioners

From: Laura Rubio-Cornejo, General Manager 

Subject: **RECOMMEND PENALTY ASSESSMENT OF \$396,000 AGAINST CUORE, INC. DBA HEART TRANSPORTATION; PLACEMENT OF HEART TRANSPORTATION ON SUSPENSION FOR A MINIMUM OF TWO YEARS, AS WELL AS A TWO-YEAR EXCLUSION OF HEART AMBULANCE DUE TO MULTIPLE VIOLATIONS OF THE LOS ANGELES MUNICIPAL CODE COMMITTED BY BOTH COMPANIES**

RECOMMENDATIONS

That your Board:

- a. **Find** that after a thorough investigation, the Department determined that Cuore, Inc. dba “Heart Transportation”, (Co ID #2685) (Heart Transportation) committed the following violations of the Los Angeles Municipal Code (LAMC): 12 violations of LAMC §71.02(a) - unpermitted vehicle; 12 violations of LAMC §71.03(b) - unpermitted driver; and 9 violations of LAMC §71.04.1 - unpermitted non-ambulatory attendant for a total of 30 violations with a potential monetary penalty of \$27,750.
- b. **Find** that the same investigation found Jacob J. Silva (Silva), while operating under the unauthorized company name of “Heart Ambulance”, committed the following LAMC violations within the City of Los Angeles: 123 violations of LAMC §71.02(a) - unpermitted vehicle; 123 violations of LAMC §71.03(a) - unpermitted driver; and 123 violations of LAMC §71.04.1 - unpermitted private ambulance attendant, for a total of 369 violations with a potential monetary penalty of \$368,250.
- c. **Find** that on April 1, 2021, 2.25 years prior to submitting an application to operate a gurney transportation service within the City, Heart Transportation filed a Certificate of Amendment with the California Secretary of State’s office changing the company name from Cuore, Inc. dba Heart Transportation to Heart Ambulance Corporation (Heart Ambulance).
- d. **Find** that Silva failed to notify the Department of the name change from Cuore, Inc. to Heart Ambulance Corporation. The Department initiated this report in view of the repeated illegal transportation operations committed by Heart Transportation in conjunction with Heart Ambulance Corporation.
- e. **Find** that Silva failed to notify the Department of the name change from Cuore, Inc. to Heart Ambulance Corporation.

- f. **Find** that the total confirmed violations against Cuore, Inc. dba Heart Transportation and Heart Ambulance Corporation, also operated by Silva, justifies the assessment of a Monetary Penalty of \$396,000.
- g. **Inform** Silva that Heart Ambulance is excluded from submitting any applications to the Department for any form of passenger transportation services for a period of two years.

Initiated By

The Department initiated this report in view of the repeated illegal transportation operations committed by Heart Transportation in conjunction with Heart Ambulance Corporation.

DISCUSSION

Company History

On October 12, 2021, the Department received an application requesting authorization to operate three unrestricted non-ambulatory passenger gurney vehicles from Silva, Chief Executive Officer of Cuore Inc. dba Heart Transportation (Heart Transportation). Included with the application were the Articles of Incorporation filed with the California Secretary of State (Secretary of State)¹, dated May 10, 2018, establishing Cuore, Inc. as an incorporated company. No dba name is shown on the document (Attachment #1).

On April 7, 2022, Cuore, Inc. dba Heart Transportation was granted authorization by the Board of Transportation Commissioners (Board) to operate three unrestricted non-ambulatory passenger gurney vehicles.

The company's three vehicles were initially inspected under the following unit numbers: Unit #GV07 on August 26, 2022; and Unit #GV09 and Unit #GV11 on September 2, 2022. On September 20, 2023, Heart Transportation requested that the unit numbers of all three vehicles be changed to the following: Unit #GV07 to Unit #201; Unit #GV09 to Unit #102; and Unit #GV11 to Unit #103. This was accomplished electronically on September 20, 2023, without the required re-inspection and/or issuance of new decals.

In August of 2023, Silva submitted a request for authorization to operate a private ambulance service under the name Heart Ambulance Corporation. Silva also submitted a request to increase the size of his non-ambulatory gurney vehicle fleet by seven vehicles, authorized under the name Cuore, Inc. dba Heart Transportation (Company ID #2685). Both applications are pending as of the date of this report.

INVESTIGATION

On August 21, 2023, the Department received information in the form of a complaint, indicating that both Heart Transportation and Heart Ambulance were allegedly operating illegally within the City of Los Angeles (Attachment # 8). On August 25, 2023, the Department formally requested information from the complainant regarding the alleged illegal patient pickups by Heart Ambulance that occurred within

¹ Per the California Secretary of State's website: "To form a corporation in California, Articles of Incorporation must be filed with the California Secretary of State's office."

the City of Los Angeles (Attachment # 9). This information was received on September 12, 2023 and covered the timeframe of October 22, 2022 through August 1, 2023.

On August 24, 2023, the Department also requested dispatch records from Heart Transportation for the time period of January 1 through July 31, 2023. The records were to contain all transports including cancellations, dry run, and “no loads.” The information from Heart Transportation was received on September 15, 2023, but only contained the company’s gurney transports. No ambulance trips were shown.

Initial Investigation

During the initial investigation, Department staff discovered the following filings with the California Secretary of State’s Office:

May 10, 2018 – “Articles of Incorporation” (#4151718) were filed with the Secretary of State’s office in the name of Cuore, Inc. There is no dba listed on the form (Attachment #1).

December 21, 2020 – An Articles of Incorporation” (#C4674095) was filed with the Secretary of State’s office under the name “Heart Transportation Company.” The incorporator is Jacob J. Silva (Attachment #2).

April 1, 2021 – A Certificate of Amendment of Articles of Incorporation Name Change Only (#C4151718) was filed. The original name of Cuore, Inc. was dissolved and replaced with Heart EMS Corporation. Silva’ signature is on this form (Attachment #3).

April 29, 2021 – A Certificate of Amendment of Articles of Incorporation Name Change Only (#C4674095) is filed changing the company name from Heart Transportation Company to Heart Ambulance Corporation². Silva signed this form (Attachment #4).

July 19, 2021 – An additional Certificate of Amendment of Articles of Incorporation Name Change Only (#C4151718) was filed by Silva changing the name of the company from Heart EMS Corporation to Cuore, Inc. There is no dba listed on the form (Attachment #5).

On January 7, 2022 – Two Statement of Information forms for Cuore, Inc. (#C4151718) and Heart Ambulance Corporation (#C4674095) were filed with the Secretary of State’s office. Both confirm Silva as the Executive Officer (Attachment #6).

May 8, 2023 – Two more Statement of Information forms for Cuore, Inc. (#C4151718) and Heart Ambulance Corporation (#C4674095) were filed with the Secretary of State’s office (Attachment #7-2 pages).

After the initial filing on December 21, 2020, no further mention of Heart Transportation was found on the Secretary of State’s website. A Google search of the internet for “Heart Transportation” found a company operating as a non-emergency gurney and wheelchair service located at 1480 Colorado Blvd.

² Heart Ambulance is licensed by the County of Los Angeles as an “Overflow” company, meaning that they can be used to transport patients from one Los Angeles county facility to another Los Angeles county facility, but they are not licensed to operate in any other capacity.

This address does not appear in any of the Secretary of State paperwork or in the application submitted to the Department.

Staff was unable to locate any communication from Silva that the dba name Heart Transportation had been dissolved.

Examination of Transport Records From Complainant

After removing all transports that occurred outside of the limits of the City of Los Angeles as well as any patient sensitive information as required by the Health Insurance Portability and Accountability Act (H.I.P.A.A.), examination of the documentation submitted by the complainant (Kaiser Permanente) found that under the name "Heart Ambulance", the following violations occurred:³ (See Exhibit #1)

L.A.M.C. §71.02(a) – unpermitted vehicle:	123
L.A.M.C. §71.03(a) – unpermitted ambulance driver:	123
L.A.M.C. §71.04 – unpermitted ambulance attendant:	123

For a total violation count of 369 with a potential Monetary Penalty of \$366,750.

Examination of the dispatch records received from Heart Transportation found that a lot of information involving the type of transport and crew member names was missing from the records. However, enough information was found to indicate a potential violation count of 149 with a potential Monetary Penalty of \$147,000 for non-ambulatory and gurney vehicle patient trips.

Administrative Hearing #1 – November 7, 2023

Silva and Senior Transportation Investigator Patricia Barker (Barker) attended the above hearing. Barker explained about the large number of violations found during the examination of the documents submitted by both the complainant and Heart Transportation, and also advised Silva that the large amount of missing information regarding what type of trip and who were the crew members was not helpful to his company. Silva stated that he had been using a "low-end" dispatch system that did not retain that information but in July of 2023, he changed dispatch programs, which did a better job. He asked if he could review the violations to see if he could narrow down the missing information. Staff provided Silva with a copy of the draft violation report so he could re-examine it.

Hearing Notice #064758 was issued to Silva for the potential violations with a second Administrative Hearing scheduled for November 16, 2023.

Administrative Hearing #2 – November 16, 2023

In attendance were Silva, his Communications Office "Steffanie" as well as Barker. Silva stated that he was able to confirm that 24 of the 39 alleged violations found in his company's records were wheelchair transports that did not require attendants. Unfortunately, he was unable to submit to the Department a

³ Two trips listed on the Kaiser spreadsheet dated January 6, 2023 and February 16, 2023 were listed as ambulance transports and billed with L.A. City Ambulance Rates to Heart Transportation. Heart Transportation does not have the authority to operate a private ambulance transportation service within the City. Neither trip listed in the Kaiser documents appeared on the dispatch records submitted by Heart Transportation.

revised itemized list of the wheelchair transports in question. Silva was advised to go back over the list given to him on November 7, 2023, and identify the wheelchair transports and resubmit the list to the Department by November 20, 2023.

Silva also stated that he hired Steffanie to take over parts of the business because he found he was unable to do everything necessary to run the business by himself. Steffanie stated that she is training others to monitor and record the trips properly in their company’s database system. Silva is also planning to have her become an authorized company signor by submitting a Signature Authorization Form.

The meeting concluded with Silva stating that he would submit his findings by the agreed upon date.

Review of newly submitted Heart Transportation documentation

The Department received the revised spreadsheet from Heart Transportation on November 17, 2023. Silva again indicated that he could not give the Department the names of the attendants for trips that occurred from January 9th through March 21, 2023. However, he did indicate that those trips were all wheelchair transports of regularly scheduled patients.⁴

Because the Department was unable to positively identify the trips from January 9th through March 21, 2023 as anything other than wheelchair transports, the transports identified in that time frame were removed from the potential violation list leaving Heart Transportation with the following violations:

L.A.M.C. §71.02(a) – unpermitted vehicle:	11
L.A.M.C. §71.03(a) – unpermitted ambulance driver:	11
L.A.M.C. §71.04 – unpermitted ambulance attendant:	8

For a total violation count of 30 violations with a potential Monetary Penalty of \$27,750. (See Exhibit #2)

The total violations confirmed from both spreadsheets was 399 with a potential Monetary Penalty assessment of \$368,000. (See Attachment #10)

PROPOSED DISCIPLINARY ACTION

It is staff’s recommendation that the following disciplinary action be assessed against Heart Transportation and Heart Ambulance Corporation:

1. Heart Transportation shall be assessed the total Monetary Penalty of \$396,000.
2. Heart Transportation shall be placed on a two-year suspension period wherein any future applications for transportation services by any owner, manager, stockholder, shareholder, and/or principles will not be accepted.
3. Heart Ambulance shall be excluded from submitting any applications pertaining to passenger transportation for a period of two years.

⁴ Per Department rules, Non-Ambulatory Passenger (Wheelchair) Vehicle Attendants are optional and therefore not required for every trip.

4. Heart Transportation, and/or Heart Ambulance shall submit to the Department, in a form approved by the Department, a Performance Bond of no less than one-fourth of the total assessed Monetary Penalty, exclusive of any late fees and penalties, to be held by the Department for a period of no less than two years. The Performance Bond shall include the following wording:

“The Board, in consultation with the CAO’s Risk Management Section (and/or their Designee – the Departmental Chief Risk Officer*), requires that Heart Transportation and/or Heart Ambulance Corp shall maintain a bond that will afford the public protection at least equivalent to one-fourth of the total assessed Monetary Penalty with respect to the payment of judgements obtained against said operator. Such filing shall be subject to the approval of the City Attorney.”

5. Additionally, upon the Board granting authorization to either or both companies, they shall be placed on an immediate two-year probationary period, wherein, any confirmed violation of the Los Angeles Municipal Code, any City Board Order, Rule and/or any other code occurring during the probationary period shall result in the immediate and permanent revocation of the company. No future applications submitted by Silva under any other name or iteration shall be accepted by the Department.

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 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 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(a), states:

“No person shall drive a private ambulance as defined in Section §71.00 without first having obtained an ambulance driver permit from the Board.”

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.”

Los Angeles Municipal Code §71.04, states:

“No person shall act as an ambulance attendant in a private ambulance unless such person holds an ambulance attendant permit or an ambulance driver permit issued by the Board.”

Los Angeles Municipal Code §71.04.1, states:

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

JMM/pab

B23-036.pab

