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# Open letter to the Board of Taxicab Commissioners

## Critique of the 2012 BTEP Review and current enforcement efforts

### Introduction

The current Bandit Taxicab Enforcement Program was “established in 2006 after three years of planning and discussions... Together, all types of illegal taxi or vehicle-for-hire operators place hundreds of vehicles on the streets of Los Angeles on a daily basis. Collectively, they endanger and defraud the public, compete unfairly with the City’s franchised taxicab operators,... and deprive the City of the hundreds of thousands of dollars in licensing fees. Towncars operating as defacto taxicabs continued to expand their grip at many hotels, nearly eliminating taxi service altogether at some venues”.

During these 6 ½ years the program has netted **5199** impounds and **7480** arrests. These numbers are several orders of magnitude larger than the total number of legitimate taxicabs and limousines **combined**. If, as the Department claims, “the program is working well” and “BTEP operation has had a deterrent effect” then “a previously intractable public safety issue” should have been significantly improved. Instead the report reads; “the problem was and is very substantial”.

While there is no doubt that the Department’s conclusion that “without increased enforcement efforts on the part of the City, being an illegal taxi operator is a relatively low-cost, low-risk enterprise”, it is equally clear that the current tactics can and should be refined to improve outcomes. The current and past reports present basic information regarding enforcement efforts but fail to provide details necessary to formulate a cogent opinion regarding the efficacy of the current efforts. To do that, these reports should provide data differentiating the types of arrests made (“Bandits”, “Poachers”, Limousines or NOETS), whether the arrests were affected through calling of telephone lines, via walk-ups or flag-downs by undercover operations or by other means. No less important is what types of citations were issued and what was their final disposition. There is also no mention of administrative cost to the Department, the City Attorney’s office or the Courts.

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### Illustrative examples

“Bandits” know that LAPD patrol officers rarely get involved in matters related to taxicabs and that there is no way for legitimate cab drivers to report and for LADOT to respond in a timely manner to specific incidents of violations in progress. To illustrate the brazen nature of these operators and ineffectiveness of the current Bandit Taxicab Enforcement tactics I would like to relate several examples from my personal experience.

- A.
  - 1. I had received a multicar order in Brentwood. When I arrived at the address I saw a bandit taxi who informed me that he would do the call-out and asked me to wait. Soon several other cabs from our company arrived and passengers began to come out. After consulting our dispatchers I realized that the bandit must have made arrangements to service a large party of young men and women and because his

vehicle was painted similarly to our company's cabs called ITOA to accommodate a large number of clients. I tried to explain the situation to some of the people coming out of the house and left the decision regarding which cab they should take up to them.

The following day I spoke with our Management to try to understand how our company became involved with this bandit cab. Turns out that by then the company had submitted to the appropriate authorities all available information regarding the bandit, including address, phone, license plate and VIN numbers and were powerless to stop him.

2. Two to three years later a gentleman calls our company regarding a problem with one of our cabs. He had purchased a dining room set of table and chairs at a local store and flagged a cab who agreed to help him transport it to his house. After a few blocks the taxicab disappeared from view and never arrived at the destination. Our Vice President and IT staff soon figured out that the vehicle was not one of our cabs but in fact a well know bandit (the same one as in the story above). Our staff suggested that the customer contact the LAPD and they would assist him in any way they could. They also provided the customer with the bandit's vehicle information and address.

A short while later the customer called back and reported that instead of going to the police he went directly to the bandit's address. To his surprise, when he rang the bell and the door opened he saw that the bandit's family was having dinner at his newly purchased table and chair set.

B.

One night, after a long day's work, I stopped on La Cienega Boulevard to talk to a cab driver in our company. I had noticed that several bandit cabs were staged at an establishment across the street. Almost as soon as I walked up to my friend we heard a verbal barrage of insults coming from across the street. I first ignored it but when I took out my cell phone and pretended to record the goings on, one of the bandits grabbed a tire iron and ran toward me. I managed to jump back into my cab and dodge the brunt of the blow which grazed my chin and shoulder. The bandit returned to his vehicle and started to flee and I reported the incident to our dispatchers and followed him. I asked for police assistance and to have my GPS location tracked and reported to the police. A few minutes later the dispatcher relayed a message from LAPD, asking me to break off pursuit and a short while later asked me to meet the officers at a nearby location. I met the two policemen from Hollywood Division and related the incident to them and that the assailant fled towards Hollywood. I said that I understood that the bandit enforcement may be a low priority but that in this instance it was a brazen assault and hoped it would be vigorously pursued. After a short pause I was told that I would have to go to a different Division to make my report because of the location of the incident.

C.

Some years ago I had a similarly frustrating encounter with LAPD officers in an incident related to passenger refusing to pay the fair. After waiting for about an hour and a half, when the officers showed up, while the passenger was sitting on the curb just a few feet away in one of the most drug infested areas of Downtown LA, they proceeded to lecture me that it was a civil matter and I would have to take

it up Court and then left.irate, I called the Precinct Watch Commander who apologized and said he would send the officers back to resolve the matter. A few minutes later, tires squealing the two policemen returned only to tell me that the Watch Commander was WRONG and that I was wasting their time and left again.

Needless to say, having encountered complete indifference and disregard on the part of LAPD officers on several occasions towards me and other cab drivers, I decided not to report the assault.

### **Types of bandits**

Before I present my suggestions or possible solutions to this “intractable” problem, I would like to first elaborate on what I think are the distinct categories of bandits. The Department’s report correctly identifies four different types of bandit taxicab operators.

1. Bandits (unlicensed vehicles and/or drivers)
2. Poachers (licensed in other jurisdictions)
3. Limousines (operating on non-prearranged basis through arrangements at hotels)
4. NOETS (phone app-based transportation companies)

Each group presents a different level of peril to the public and should engender a unique approach in combating it. The table below illustrates this point.

<b>TAXI</b>	<b>POACHER</b>	<b>BANDIT</b>	<b>LIMO</b>	<b>NOETS</b>
<i>Rates</i>	similar/same	exorbitant	Varies	Unknown/unregulated
<i>Skill testing</i>	Yes	None	CPUC standard	Voluntary/unregulated
<i>Background checks</i>	Yes	None	CPUC standard	Voluntary/unregulated
<i>DMV record checks</i>	Yes	None	CPUC standard	Voluntary/unregulated
<i>Commercial Insurance</i>	Yes	None	CPUC standard	None
<i>Drug testing program</i>	Yes	None	CPUC standard	None
<i>Vehicle inspectn/age limit</i>	Yes	None	CPUC standard	None
<i>GPS tracking</i>	Yes	None	None	None
<i>Accountability/complaints</i>	Yes	None	Varies/None	Voluntary/unregulated

Under current regulations, both “Poachers” and “Bandits” are treated similarly, even though “Poachers” are licensed in neighboring jurisdictions and adhere to similar regulations as Los Angeles taxicabs. “Bandits” on the other hand are often “driven by individuals with criminal backgrounds and/or poor driving records or no driver’s license at all. Many are uninsured and have not been inspected by any local public agency responsible for regulating taxicabs.” “Bandits” generally operate with rigged meters, charge exorbitant rates and do not accept credit cards. They can not be tracked, report to no one and can not be held responsible unless arrested.

Vehicles-for-hire operating under the authority of CPUC and present a completely different set of enforcement problems. While generally adhering to CPUC standards as they relate to licensing, vehicle age and condition, insurance standards and background and DMV driving records requirements, they operate as “defacto taxicabs, transporting

passengers on a non-prearranged basis” through “agreements with doormen and/or hotel management which allow them to direct walk-up passengers to their vehicles”.

Within the last year or so “a new category of illegal/quasi legal operators has come to the forefront...companies using smartphone mobile apps to dispatch vehicles-for-hire, many of which are unlicensed by any authority”. With considerable financial and legal backing these types of operations could gain a significant part of the market before legal actions by the City and/or CPUC can bring them under control of any regulatory entity.

### **Proposed changes**

While periodic sting operations net a few of these “Bandits”, for the most part they operate in plain view and without fear of adverse consequences. Rank and file LAPD officers and Parking enforcement personnel regularly ignore these operators and make no effort to confront them and in doing so, perpetuate the status quo, where “being an illegal taxi operator is a relatively low-cost, low-risk business enterprise.

On the other hand, “Poachers” snagged in BTEP operations are treated like “Bandits” even though they are subject to similar regulatory oversight as their counterparts in Los Angeles. When arrested, they are cited with a misdemeanor and their vehicles are impounded. As a result and in order to be able to continue working in this industry, they usually undergo a lengthy process of adjudication which usually results in reduction of charges to an infraction and enables them to drive a taxicab. This course of action wastes valuable and scarce resources of the LAPD, LADOT, the City Attorney’s office and the Courts.

On average, it takes 10 officers 8 hours to affect 7 arrests at a cost of \$995 per arrest. And this does not include the cost of adjudication. If during field operations “Poachers”, who pose the least amount of danger to the public, were to be cited with an infraction and without impounding of the vehicle, rather than a misdemeanor arrest, it would make for a more equitable punishment and save time during field operations. An infraction citation would relieve the officers from “processing” the suspected “Poachers” in the field and afterward, processing “arrest paperwork at the end” of the detail. This extra time would allow officers to write more citations (perhaps as many as 1000 a year, generating \$500,000 in additional fines) and save the City and the Courts valuable resources during adjudication process. There is a lesser need for a deterrent for this type of violators since they value their licenses as a means to making a living.

As outlined in the most recent BTEP Report “a substantial component of the city-wide bandit problem” is “related to kick-backs, extortion and the selling of access to passengers” “solicited and directed to town car and limousine operators”. I hope that the new Doorman Ordinance and BTEP enforcement efforts directed at “venues at which it can be documented that [such] problems persist” will prove to be “a substantial deterrent” in the near future.

Proliferation of NOETS is relatively new and pose a more difficult and complex set of regulatory and enforcement issues. While the City’s efforts to bring these operators under

regulatory control are laudable, we must also recognize that this may be a long process and during this period the taxicab industry could lose a substantial part of their clientele to these “quasi-taxi app-based transportation companies”. Their success is partly due to the public’s ignorance and deceptive advertising but to an even larger extent to their ability to provide the convenience and certainty of a prepaid fair amount. While licensed Los Angeles taxicab companies operate a larger, safer, more accountable and dependable fleet of clean, insured, inspected vehicles dispatched through state of the art facilities, they are unable to provide a large segment of tech-savvy clients the convenience of the type of service they demand. By changing the current ordinance to allow the City’s franchise operators to provide, with the customer’s explicit consent, a prepaid fair and a nominal cancellation charge through a PCI compliant smartphone based app, based on uniform standards set by the City, these companies would be able to provide the public a better, safer alternative to an unregulated, unaccountable NOETS. These minor regulatory changes should diminish the popularity of these unregulated operators, improve service to the public and allow the City to confront NOETS on two fronts.

In order to further advance the cause of combating bandits in the city of Los Angeles it is also worthwhile to examine successful efforts in this regard through examination of tactics employed by adjacent cities, such as Beverly Hills and Santa Monica, where illegal taxicab operations have been dramatically reduced. In these municipalities regular police patrols and parking enforcement personnel have been enlisted in their efforts to eradicate bandit cabs.

One of the most important and mostly overlooked reasons for proliferation of “Bandits” is that most of the time they are able to operate in the open, often in plain sight of authorities, the public assumes, are entrusted to control and regulate them. While licensed drivers experience the loss of business to “Bandits” and unscrupulous limousine operators they are also a mostly untapped resource of information and intelligence. Based on Department figures, the fleet of 2360 licensed taxicab vehicles drives more than 100 million miles, mostly through the streets of Los Angeles each year. These drivers see where and how bandits operate and this knowledge could enable LADOT and LAPD to develop more effective and efficient tactics. If properly structured and with help of a skilled and experienced liaison a repository of such information would be an invaluable tool in reducing cost and increasing productivity of the Bandit Taxicab Enforcement Program.

By training patrol police officers and parking enforcement personnel to recognize “bandits” and aggressively pursue and cite them for such infractions as parking violations, improper insurance and testing them for sobriety, it would make it abundantly clear that they are not being ignored and that they can not operate with impunity. “Bandits” without any apparent licenses and passengers on board could be pulled over, and if passengers report that they have been picked up in Los Angeles, be cited for operating an illegal taxicab. These tactics would remove the major rationale for operating as a “Bandit”, which is being “invisible”.

## **Summary**

While it is certainly true that “the number of bandit taxicab arrests resulting from the BTEP continue to be unprecedented” the Department’s admission that “the problem was

and is very substantial” and that illegal towncars operating as defacto taxicabs “nearly eliminated taxi service altogether at some venues” despite an ongoing 6 ½ years of BTEP efforts and laudable work, indicate that although the program is certainly indispensable it needs to be adjusted to reflect the current realities on the ground.

More detailed reporting would enable the Department and LAPD to direct scarce funds where they are needed. Differentiating between “Bandits” and “Poachers” would save time and resources during field operations and during adjudication and reduce administrative costs, while at the same time enabling BTEP to affect more arrests and citations. The Doormen Ordinance will hopefully curtail illegal towncar operations. And allowing the City’s franchise operators to offer pre-paid app-based service the public demands will begin to address the proliferation of NOETS.

The “Broken Windows” approach to Bandit Taxicab Enforcement and training of patrol officers and parking enforcement personnel in conjunction with better communications and additional information from legitimate taxicab companies would likely be the death knell for the “Bandits”. If the Department and the City determine that such training would require additional expenditures, the funds could be raised by temporarily increasing the “bandit assessment” fee to \$35, which would generate additional \$140,000 on an annual basis.

### **Conclusion**

The analysis and the suggestions above come from personal experience and frustration with slow pace of change to the realities on the street as they relate to Bandit Enforcement Program results. These suggestions are neither frivolous nor reckless. They do not require major overhaul of the program but would likely produce significant improvements to ongoing efforts and outcomes. I believe they deserve a serious consideration and I hope a constructive discussion, which would benefit the Department, the City and the public at large.

Respectfully, Leon Slomovic.

### **Contact Information**

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References: “Annual Review Of The Bandit Taxicab Enforcement Program For 2012”, BOARD REPORT CITY OF LOS ANGELES DEPARTMENT OF TRANSPORTATION, June 20, 2013.

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