



# Consumer Protection and Enforcement Division



## Monthly Activity Report February 2020

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## OVERVIEW

The Consumer Protection and Enforcement Division (CPED) serves as the first line of defense for California utility and transportation customers. CPED implements Commission regulations, policies and licensing for transportation carriers, investigates and enforces against passenger carrier misconduct, and investigates allegations of utility waste, fraud, and abuse. CPED is comprised of two separate programs: Passenger Transportation and Utilities Enforcement.

This report contains information reflecting the month's performance within each CPED program. Information about each program is collected in seven different sections: (1) Key Activities, (2) Citations/Fines/Refunds, (3) Compliance with Ordering Paragraphs, (4) Docket Activity, (5) Outreach/Training/Other Events, and (6) Legislation of Interest.

## PASSENGER TRANSPORTATION

The Commission's Transportation Program oversees for-hire passenger carriers (limousines, airport shuttles, chartered and scheduled bus operators, transportation network companies and ferries). The Program consists of three branches: The Transportation Enforcement Branch-North (TEB-N), TEB-South (TEB-S) and the Transportation Licensing and Analysis Branch (TLAB).

TEB investigates alleged violations, conducts joint inspections, issues warning notices and citations, prosecutes enforcement cases before the Commission and supports civil and criminal cases brought by local prosecutors, such as a district or city attorney. TEB also staffs a consumer complaint 800 phone line and conducts outreach activities to educate consumers, carriers, and state and local law enforcement and prosecutors on consumer protection statutes, regulations and policies that affect passenger transportation.

TLAB's Licensing Section analyzes applications from carriers, writes proposed decisions to approve or deny a carrier's CPCN application, issues permits and certificates, and tracks carrier compliance with permit requirements while TLAB's Analysis Section functions as the Commission's subject matter expert and advises decision makers regarding for-hire carriers.

KEY ACTIVITIES

**Investigations and Complaints**

In February 2020, TEB closed 26 investigation cases and initiated 16 new ones. The Consumer Intake Unit (CIU) received 12 complaints and referred eight of those complaints to the Enforcement Unit for further investigation.

2020 Enforcement Activity	Jan	Feb	YTD
Open Investigations as of 2/1/2020	111	117	228
New Investigations Initiated	46	16	62
Investigations Completed	18	26	44
Cease and Desist Notices	28	19	47
Official Notices	3	7	10
Telephone Disconnects	2	3	5
Citations	6	8	14
Citations Appealed	0	0	0

Complaint Activity	Jan	Feb
Open complaints as of last day of prior month	3	3
New complaints, by complainant type:	17	12
Consumer	13	12
Competitor	4	0
Complaints referred to Enforcement	9	8
Complaints Closed by CIU	14	14
Open as of last day of current month	3	1
Duration	Referred to Enforcement	
0-30 days	9	8
31-60 days	0	9
61-90 days	0	0
Closed due to Insufficient Information	0	0

**Carrier Application and Permit Activity**

As of February 2020, TLAB’s Licensing Section has staff received 498 applications (New, Renewals, Refiles, and Transfer) and issued **462** permits. Currently, TLAB has completed **425** additional applications but cannot approve them until the California Highway Patrol (CHP) completes bus terminal inspections (CHP requires 60 days.) and/or the carrier provides proof of insurance or enrollment in a drug testing program (up to 7 days). **One** new TNC applications is currently under review.

California Public Utilities Commission | Consumer Protection and Enforcement Division

Year-to-Date Passenger Carrier Activity	Total
New Applications Docketed	115
Renewal Applications Docketed	343
Refile Applications Docketed	35
Transfer Applications Docketed	5
Authorities Issued	462
Authorities Suspended	832
Authorities Revoked	150
Authorities Reinstated (Suspended/Revoked)	531
New Applications waiting for CHP inspection or carrier action (drug test results, insurance).	186
Renewal Applications waiting CHP inspection or carrier action (drug test results, insurance, or other renewal documents).	219
Pending Reinstatement from Suspension and Revocation	20
Total Active/Suspended TCP and PSC Authorities as of 02/29/2020	6083
Total Active/Suspended TNC Authorities as of 02/29/2020	13
Voluntary Suspensions	77
Voluntary Revocations	35
Vehicles added to Passenger Carrier Equipment Statements	1115
Address and DBA Changes	321
Vehicle inspection requests sent to CHP	697
Returned Applications (incomplete package)	94

CITATIONS/FINES/REFUNDS/TELEPHONE DISCONNECTIONS

TEB Fines/Refunds	January	February	YTD
Fines Assessed	\$34,500	\$21,000	\$55,500
Fines Paid	\$13,590	\$14,040	\$27,630
Overcharge Refunds/Settlements by TEB Consumer Unit	\$1,496	\$559	\$2,055

**Citations**

- **F-5634. Hill Paul Allen, Santa Clara, TCP 11322.** Case PSG-5080. Fine \$3,000. Violations: carrier 1) operated after revocation of authority; and 2) failed to produce records.
- **F-5638. Watermark Carlotta LLC dba The Fountains at The Carlota LLC, Palm Desert, TCP39052.** Case: PSG-5088. Fine: \$2,000. Violation: carrier 1) operated as a charter-party carrier ‘Z’ without authority.
- **F-5639. B Transportation LLC, Foster City, TCP-33983.** Case: PSG-5013. Fine: \$2,000. Violation: carrier 1) failed to produce records.
- **F-5640. Duc Tuan “Tony” Nguyen dba WineCab, Fairfield, Unlicensed.** Case: PSG-5514. Fine: \$1,000. Violation: carrier 1) advertised without authority.
- **F-5642. Zepeda Manuel A, Daly City, TCP 15373.** Case PSG-5015. Fine \$4,000. Violations: carrier 1) operated after suspension of authority; and 2) operated without evidence of PL&PD insurance coverage.
- **F-5643. Belmont Village Calabasas, LLC, Calabasas, Unlicensed.** Case: PSG-5091. Fine: \$3,000. Violations: carrier 1) operated as a charter-party carrier without authority; and 2) advertised as a charter-party carrier without authority.
- **F-5644. Steadfast Carpinteria Senior LLC dba Gran Vida Carpinteria, Carpinteria, Unlicensed.** Case: PSG-5033. Fine: \$3,000. Violation: carrier 1) operated as a charter-party carrier without authority.
- **F-5645. Selam Airport Transportation LLC, San Diego, TCP19591.** Case: PSG-5169. Fine: \$1,000. Violation: carrier advertised as a charter-party carrier without authority.

**Los Angeles Airport Citation Program**

Month	Citations issued by LAX police to unlicensed carriers	Citations issued by CPUC	Vehicles impounded	C&D letters issued by TEB-S	Total fines collected
January	16	8	15	16	\$8,000
February	19	11	15	16	\$10,250.00
Year to date	35	19	30	32	\$18,250.00

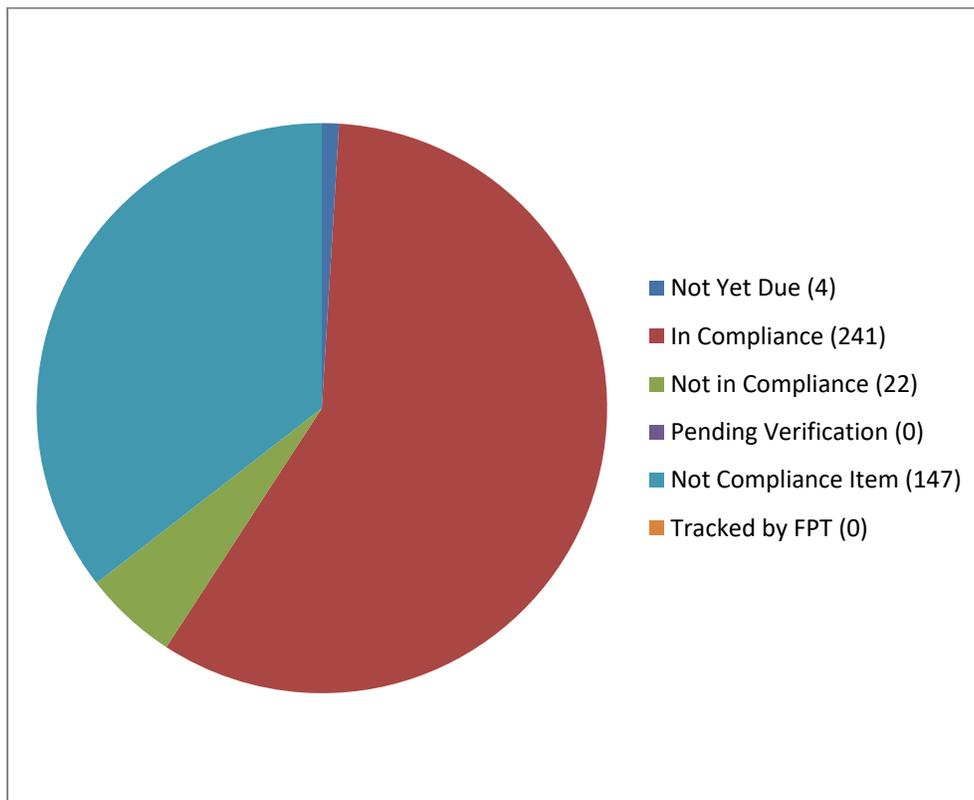
## Telephone Disconnections

TEB must obtain a Finding of Probable Cause (FPC) signed by a Superior Court Judge to order disconnection of telephone service to the number advertised and utilized by carriers to violate criminal laws in the State of California. In February, TEB-S obtained three such orders:

- **PSG-5047. Cecilia Gonzalez, an individual dba Tony Limousine Service, Ontario, (TCP 28624).** Obtained FPC on February 13, 2020, signed by San Bernardino Superior Court, Rancho Cucamonga Judge Richard Peel.
- **PSG 5106. Joe Nguyen, an individual dba Awesome Limousine/J Limousine, Glendale (Unlicensed).** Obtained FPC on February 26, 2020, signed by Los Angeles County Superior Court (Glendale) Judge Ralph C. Hofer.
- **PSG-5110. Gavrosh Limo, Glendale (TCP 31560).** Obtained FPC on February 26, 2020, signed by Judge Hoffer.

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### COMPLIANCE WITH ORDERING PARAGRAPHS



The Transportation Program is currently responsible for 414 separate Ordering Paragraphs. Many Ordering Paragraphs result from decisions to approve CPCNs for passenger stage corporations, and include permit requirements such as obtaining appropriate insurances, enrolling in drug testing and DMV pull-notice programs, receiving bus terminal inspections by CHP and others. Other OPs uphold TEB enforcement actions and impose fines for carrier violations of law and wrongdoing against consumers. And, finally, OPs introduce new reporting requirements and transportation policies.

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DOCKET ACTIVITY

**Policy Proceedings**

- **R.12-12-011 / TNC Rulemaking / Mason & Chiv / Shiroma**
  - On February 7, 2020, Commissioner Shiroma’s [Proposed Decision on TNC Data Confidentiality](#) issues in “Track 3” was published.
- **R.19-02-012 / TNC Access for Persons with Disabilities / Mason & Chiv / Shiroma**
  - On February 9, Commissioner Shiroma’s [Proposed Decision on Track 2 Issues: Offsets, Exemptions and Access Provider Disbursements](#) was published.

**Enforcement Proceedings**

- No OIIs or OSCs.

**Citation Appeal Proceedings**

- **K.19-08-017 / Khouri Amir Faiz, dba Classic Limousine and Sedan Service (TCP 21472) Appeal / ALJ McGary.** On February 7, 2020, the ALJ issued Draft Resolution ALJ-376, which affirms forty (40) counts and fine amount of \$2500.00 of the original \$5000.00 fine, \$2,500.00 is suspended on the condition that carrier does not receive citations for any future violations in the next twenty-four (24) months.
- **K.19-09-002 / Ibrahim Raed Khalil, dba Comedy Limo (TCP 17704) Appeal / ALJ Wang.** On February 6, 2020, the ALJ issued Draft Resolution ALJ-375 to affirm the TEB-N citation and sustain the \$5,000 fine.

- **K.19-09-015 / Jordan & Associates Investments, dba Sun Buggie Fun Rentals (TCP 38563-Z) Appeal / ALJ Kim.** No hearing date scheduled by the ALJ.
- **K.19-10-009 / Migan C. Murray, dba Rite Time Transport (TCP 37559-A) Appeal / ALJ Yacknin.** On February 11, 2020, parties filed a joint motion to enter a settlement into the record and formally withdraw the appeal. Awaiting ALJ Draft Resolution.
- **K.19-11-012 / Executive Network Enterprises Inc (TCP 23109-B) Appeal / ALJ Kelley.** Settlement agreement pending ALJ Draft Resolution.
- **K.19-12-004/ Superior Enterprises, LLC (TCP 35089) Appeal / ALJ Goldberg.** ALJ rescheduled hearing date to March 23, 2020.
- **K.19-12-005/ D and D Limo, Inc. (TCP 36542) Appeal / ALJ Goldberg.** ALJ rescheduled hearing date to March 23, 2020.
- **K.19-12-006/On Time Coach Executive, LLC. (TCP 38149) Appeal / ALJ Goldberg.** ALJ rescheduled hearing date to March 23, 2020.

#### **Carrier Application Proceedings**

- **A.18-09-008 / Application of AFISHINADO INC., dba Afishinado Charters for authority to operate as an “on-call” passenger Vessel Common Carrier operating from Avalon Harbor to various points on Catalina Island, including: Campus by the Sea, All C.I.M.I. facilities, White’s Landing, Two Harbors, Howland’s Landing, Emerald Bay / 02/10/2020 D.20-02-013 dismissed Application and closed proceeding.**
- **A.19-08-007 / Application of CALI ROADS LLC for a Certificate of Public Convenience and Necessity to operate as a Small Shuttle Service Between the City of San Francisco and the City of Santa Barbara (and back) with Sightseeing Stops along the way; and to establish a Zone of Rate Freedom (ZORF) / 02/25/2020 D.20-02-037 issued.**
- **A.19-11-001 / Application of POLYTECH ENTERPRISES, a Limited Liability Corporation, doing business as Shuttle 2000 (PSG0013879) to Expand its Service Territory to include Schedule Service Route 3 to transport Passengers to and from Los Angeles International Airport, Near Rose Bowl Stadium area Pasadena, Hotels Downtown Los Angeles area, California State Polytechnic University Pomona, Ontario Airport area and to establish a Zone of Rate**

Freedom (ZORF) in Service Route 3; and to Revise the Zone of Rate Freedom (ZORF) in existing Service Route 2 / **02/25/2020 D.20-02-038 issued.**

- **A.19-11-020** / Application of Ventura County Shuttle, Inc. d/b/a Ventura County Airporter (PSC-6291) for Authority to Increase Base Fares and Continue to Maintain a Zone of Rate Freedom / **02/04/2020 D.20-02-001 issued.**
- **A.19-12-014** / In the matter of the Application of ABIANO LIMOUSINE, LLC, for passenger stage authority under Section 1031, et. seq., of the California Public Utilities Code, to transport tourists and residents, on an oncall, inter/intra county fare basis, between points in the counties of San Francisco, Santa Clara, Alameda, Contra Costa, Marin County, Napa, Sonoma, Sacramento, on the other hand; and to establish a Zone of Rate Freedom (ZORF) under Section 454.2, et. Seq., of the PU Code / **02/28/2020 D.20-02-071 issued.**

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## OUTREACH/TRAINING/OTHER FIELD ACTIVITIES

### Joint Agency Work

- **San Francisco International Airport (SFO) Ground Transportation Unit and San Francisco Airport Police.** Staff and management from TEB-N, SFO Ground Transportation Unit and San Francisco Airport Police meet monthly to jointly address complaints of unlicensed passenger carriers that operate at SFO. In February 2020, joint staff observed/inspected 756 vehicles. Among the 756 vehicles, TEB staff found that seven carriers operated with a suspended, revoked or expired permit, while four carriers failed to register their respective vehicles with CPUC.
- **Lodi Wine and Chocolate Festival.** On February 8, 2020, TEB-N staff conducted a joint enforcement operation with the Lodi Police Department and Napa Valley District Attorney's office to address complaints of unlicensed providers of for-hire passenger transportation. The joint agencies observed/inspected 45 vehicles and impounded two vehicles operated illegally by carriers with revoked or expired permits.
- **Napa Valley Wine Region.** TEB-N staff conducted a joint enforcement operation with the Napa County District Attorney's Office and St. Helena Police Department to address complaints of unlicensed passenger carriers. The joint

agencies observed/inspected 66 vehicles and impounded three vehicles operated illegally by carriers with revoked permits.

- **Presentation at Joint Legislative Committee Informational Hearing on “Transportation and Privacy Issues in Shared Mobility Data Use.”** On February 25, 2020, CPED’s Director presented on transportation data and privacy issues at a California State Senate Informational Hearing convened by the Senate Transportation and Judiciary Committees.

### **Training**

- On February 24, TEB-N staff attended Writing for Analysts. The course is offered by CalHR Training, and part of TEB’s required curriculum.

## UTILITIES ENFORCEMENT BRANCH

UEB protects California utility consumers from fraud and abuse by developing enforcement mechanisms and ensuring service providers comply with consumer protection laws and regulations. UEB investigates alleged violations by utilities, including communications (both wireline and wireless), energy (both electric and gas), and water companies. When sufficient evidence of violation is uncovered, UEB brings cases before the CPUC to seek appropriate penalties and remedies for consumers.

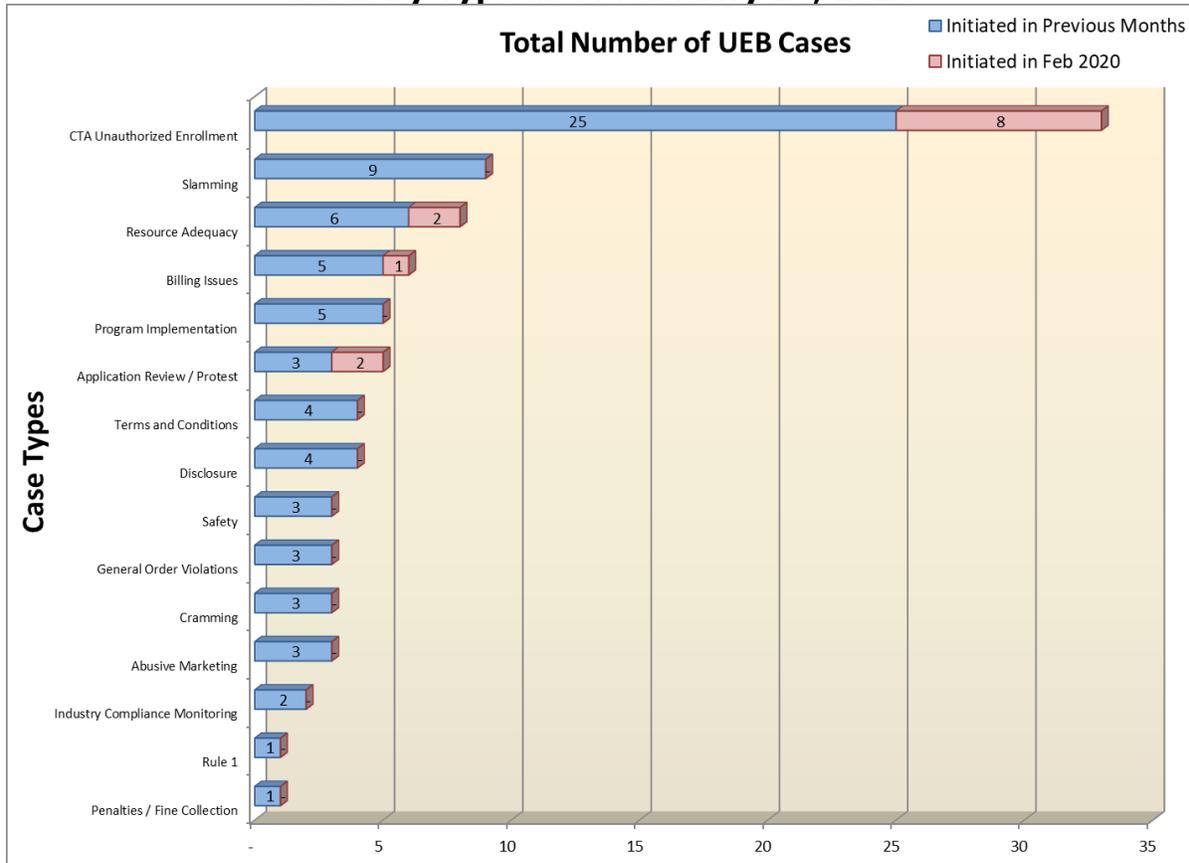
### MONTHLY HIGHLIGHTS

- **One Million New Internet User Coalition (NIU) (I.18-07-009) (Commissioner Rechtschaffen/ALJ KIM):** UEB and NIU concluded settlement negotiations in the Alternate Dispute Resolution. Resolving issues regarding allegations of NIU's misuse of CASF funds will be directed toward litigation.
- **Frontier Communications (I.19-12-009) (Commissioner Randolph/ALJ Zhang):** As ordered by the ALJ, UEB staff and legal counsel continued to meet with Frontier to discuss issues regarding confidentiality of certain sections of the staff report and the OII.
- **San Jose Water Company (I.18-09-003) (Commissioner Aceves/ALJ Bemederfer):** The Commission issued a Presiding Officer's Decision (D.20-02-050) approving the settlement between San Jose Water and CPED. The decision resolves all issues in the OII and requires San Jose Water to make capital investments and issue refunds to customers totaling \$7,107,237.

### KEY ACTIVITIES

UEB is working on a total of 85 cases. Investigations center primarily on CTA Unauthorized Enrollment, Slamming, and Resource Adequacy. UEB's cases come from a variety of sources, with CPCN application reviews, Inter-Division referrals, and UEB's own scanning activities playing key roles.

**Cases by Type as of February 29, 2020**



**CITATIONS/FINES/REPARATION**

The Commission issued a Presiding Officer’s Decision adopting a settlement between San Jose Water and CPED requiring San Jose Water to make refunds and capital investments totaling \$7,107,238.

UEB issued CTA citations totaling \$30,000 during the month of February 2020. Spark Energy and Smart One Energy was cited \$10,000 and \$20,000, respectively, for failure to provide valid proof of customer enrollment authorization for its customers.

Cumulative 2020 fines, reparations and penalties imposed are shown below.

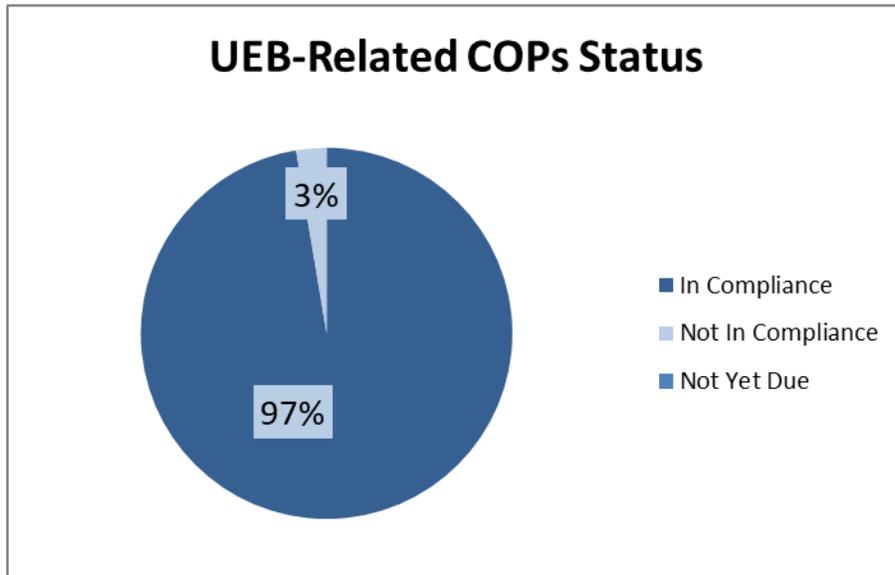
Date	Citations/Fines/Reparation
February 2020	\$7,137,238
Cumulative 2020	\$7,137,238

- **Resource Adequacy (RA) Citation Program:** UEB issues citations and levy fines to enforce Load Serving Entities' (LSE) compliance with system, local, and flexible resource adequacy requirements pursuant to Resolution E-4195, as modified by Decisions 10-06-036, 11-06-022 and 14-06-050. There were no RA citations issued in February 2020.
- **Core Transport Agent (CTA):** UEB reviews CTA-related complaints received by the Commission to enforce compliance with the standards for verification of change in provider requirements in D. 18-02-002, and to identify acts constituting grounds for suspension or revocation of registration pursuant to PU Code Section 983.5.
  - In February, UEB reviewed 155 CTA-related complaints received by CAB in January 2020 and identified 29 needing investigation. UEB issued 8 data requests for proof of enrollment authorization for 28 customers on February 25, 2020 and provided the CTA's with a due date of March 10, 2020. So far, UEB received 9 TPVs and 1 signed contract as proof of customer authorization.

Month Received	CTA-Related Complaints		Data Requests Issued	Proof of Authorization Obtained	Citations Issued	Cease and Desist Letters Issued
	Total	Unauthorized Enrollment				
February	155	29	8	Pending	Pending	0

Citation #	Date Issued	Company	Citation Amount	Date Due	Payment Status
UEB-003-#006-#026	2/13/2020	Smart One Energy	\$20,000.00	3/13/2020	Payment pending
UEB-003-#027-#036	2/26/2020	Spark Energy	\$10,000.00	3/27/2020	Payment pending

COMPLIANCE WITH ORDERING PARAGRAPHS



There were no new Ordering Paragraphs added to UEB’s COPS tracker for the month of February. UEB was responsible for 38 separate Ordering Paragraphs. As of February 29, 2020, 37 (representing 97%) have been complied with, and one is not in compliance (representing 3%).

Ordering Paragraphs related to UEB’s work are attributable to the imposition of fines, adoption of settlements, ordering of consumer refunds or reparation and other remedies and corrective actions, including reporting requirements, resulting from UEB’s investigations of violations of law and wrongdoing against consumers.

The numbers reported above tracks compliance with ordering paragraphs assigned to UEB and do not include tracking for compliance with payment of fines, penalties, surcharges or the like, which are assigned to Fiscal Office under the COPs system. However, UEB staff also tracks such payments separately in our case management system.

UEB-RELATED PROCEEDINGS

Docket No.	Title	ALJ	Commissioner
A.19-04-014	Application of Cox California Telcom, LLC (U5684-C) Requesting the Commission Not Require Cox to Pay Disputed Surcharge Amounts Identified in Audit Report.	Kline	Shiroma
I.17-04-021	Order Instituting Investigation on the Commission's Own Motion into the Billing Practices of Southern California Gas Company (U904G); and Order to Show Cause Why the Commission Should not Revise Rule No. 14, Impose Penalties and/or Other Remedies for Extending Billing Periods and Issuing Untimely Monthly Bills.	Ayoade	Rechtschaffen
I.18-07-009	Order Instituting Investigation on the Commission's Own Motion into the California's One Million New Internet Users Coalition's Misuse of California Advanced Services Fund Grant Funds; and Order to Show Cause Why the Commission Should Not Impose Penalties and/or Other Remedies for Violating Terms of Their Grant and for Refusing to Return Funds.	Zhang	Aceves
I.18-09-003	Order Instituting Investigation on the Commission's Own Motion into the Operations, Practices and Conduct of the San Jose Water Company (U168W) Regarding Overbilling Practices.	Bemesderfer	Aceves
I.19-12-009	Order Instituting Investigation on the Commission's Own Motion into the Operations, Practices, and Conduct of Frontier Communications to Determine Whether Frontier Violated Laws, Rules and Regulations through Service Outages and Interruptions and Disclosing and Publishing Customer Addresses.	Zhang	Randolph
K.19-03-024	Appeal of San Jose Clean Energy to Citation E-4195-0052 issued on February 27, 2019 by the Consumer Protection and Enforcement Division.	Kim	N/A

OUTREACH/TRAINING/OTHER ACTIVITIES

**SNAP:** The FCC presented a summary of its Rural Digital Opportunity Fund. The Fund will provide up to \$20.4 billion over ten years to connect six million unserved rural homes and businesses with broadband service (Internet and VoIP). The FCC will utilize a reverse auction to allocate these services to census blocks. Bidding is expected to begin October 2020.