

Executive Summary

For more than 70 years, the Official Police Garages (OPGs) and their 18 service providers (for 21 police divisions) have provided safe, reliable and cost-efficient impounding, towing and storage to the City of Los Angeles.

OPGs offer the City an array of vital services that collectively help protect the public safety of motorists, pedestrians, and bicyclists. They facilitate the flow of traffic along major City streets, calming traffic within residential neighborhoods and mitigating the traffic impact associated with new developments. Ultimately, OPGs help keep Los Angeles and Angelenos moving.

The Los Angeles Police Commission and its Commission Investigation Division (CID) oversee the regulation of the OPGs, including state and local regulatory compliance, complaints and the setting of uniform policies, procedures and rates.

On average, the OPGs tow and store over 165,000 vehicles a year while generating over \$19 million (inclusive of vehicle release fees, franchise fees, city parking tax, and vehicle forfeiture overages) in revenue to the City.

The OPGs provide 24-hour service to the City, while collectively employing approximately 472 full-time employees at a living wage. In addition, more than 200 trucks and 90 acres of storage facilities remain available to serve the City's needs under any conditions at no cost.

The current City ordinance allows for OPGs to be contracted for five years with a five-year renewal option. In addition, an OPG operator may only own two OPGs. An evaluation team consisting of the Los Angeles Police Department (LAPD), Department of Transportation (DOT) and the City Administrator's Office administrates the current selection process. The City requires all applicants to compete based on Level of Service qualifications.

The OPGs are dedicated to meeting the needs of the City of Los Angeles, the LAPD and the DOT, while, at the same time, maintaining high standards of quality and safety for our customers.

As the second most populous city in the United States spread over 465 square miles, Los Angeles must take the unique characteristics and diversity of its communities and people into consideration when addressing problems or challenges.

The 6,400 miles of streets, 40,000 intersections and 160 miles of freeways within the city, combined with a world-recognized "car-centric" culture, necessitate a fully-integrated strategic plan to handle the removal and storage of evidentiary and statutory impounds, vehicles parked illegally and those involved in accidents. OPGs remove and store vehicles that city agencies deem a blight, nuisance or hindrance to the general quality of life of Angelenos.

Overseeing the OPGs is the Los Angeles Police Commission Investigation Division (CID), which is responsible for the regulation of towing, storage and all charges levied by the OPG. CID also investigates and adjudicates any complaint received from the public, LAPD, DOT and all

other City agencies and maintains files on each OPG for contract compliance. State laws, Civil and Vehicle Codes also govern the OPGs as they relate to the impounding and disposition of vehicles.

The OPGs have also been a model of private-public partnership. One example is the OPGs Vehicle Impound Information Center (VIIC) website. The OPGs have invested more than \$750,000 to create the VIIC system and website — all at no cost to the City. The VIIC was developed for the purpose of providing City personnel and the public the ability to access through the internet information pertaining to vehicles that have been impounded by the City. The public can locate vehicles, as well as vital information regarding release procedures.

OFFICIAL POLICE GARAGES BY THE NUMBERS

- Total Number of OPGs 18
- Total Number of Heavy Duty OPGs 2
- Total Number of Employees 472
- Minority Employees Breakdown:
 - Male African Americans 31
 - Male Hispanics 254
 - Male Asians 3
 - Female African Americans 4
 - Female Hispanics 33
 - Female Asians 2
- Total Number of Trucks 228
- Total Number of Forklifts 62
- Total Number of Acres for Storage of Vehicles 93
- Total Number of Indoor and Secure Investigative Hold Spaces 209

Our Most Valued Resource

OPGs employ 472 full-time employees, including drivers, dispatchers and support personnel. They each receive expert, industry “best-practices” training to meet LAPD and DOT standards.

We uniformly recognize that a trained, full-time, well-paid workforce is our most valuable asset. We truly value the skills of our workers. No detail is left to chance and every effort is made to provide staff with training that is meaningful and comprehensive.

OPGs provide good jobs at good wages with good benefits. At a minimum, our employees are paid in strict adherence to the City’s Living Wage requirement. Our benefit programs are comprehensive and highly competitive compared to other similarly-situated organizations. Nearly 3000 individuals, including employees, family members, and employee dependents, are the recipients of health care and retirement benefits from OPGs. To ensure that we are providing benefit programs which meet the needs of our employees, we are constantly reviewing and updating the programs, making changes and additions as necessary.

Our employees are the lifeblood of our operation, allowing OPGs to operate 24 hours a day, 365 days a year. Without their efforts, we could not meet the needs of the City and keep our streets safe.

DIVERSITY

The OPGs workforce is multicultural and multidimensional, reflecting the diverse face of the city itself. We understand that diversity encompasses more than ethnicity, gender, and age. It's how employees think, the ideas they contribute, and their general attitude toward work and life. We recognize the value of people's different experiences, backgrounds, and perspectives — and we reward it.

- African-Americans, Latinos, Asian-Pacific Islanders/API Americans and other minorities comprise over 70% of the OPGs more than 472 employees
- Women represent 17% percent of the overall workforce, holding jobs from drivers and dispatchers to senior management

The Need For Strategic Towing Service

Every year, the OPGs tow over 165,000 vehicles for the City of Los Angeles. Forty percent of these vehicles are never redeemed and are either sold through a DMV lien-sale process or sold for junk.

Before the OPGs were organized in 1938, there was no system in place for clearing traffic or handling accidents in Los Angeles. The City appointed a citizens committee to develop a solution. They recognized the need for a responsible and cost-effective system that could be summoned at a moment's notice to clear an accident, help enforce public parking ordinances, protect stolen and recovered vehicles or impound those used in criminal activities.

Rather than spending millions of dollars to purchase equipment and commercial property required by state law for such a Herculean responsibility, the City turned to the private sector to provide these essential services.

The 18 privately owned and operated OPGs serve the City of Los Angeles and are open to the public 24 hours per day, seven days a week. They provide over 200 trucks and service the City with more than 90 acres of conveniently located storage facilities. It is this extensive, networked system of providers that can meet the diverse needs of the City under any circumstance, including natural disasters, emergencies, crisis situations and high-turnout events.

Nearly 2,500 special events are held in the City of Los Angeles every year. These events range from small neighborhood gatherings to moving events that cross City streets, such as parades and the Los Angeles Marathon. Almost every special event requires some form of traffic management plan to ensure the safety of the participants and road users and to minimize the traffic congestion associated with the special event.

OPGs provide support at events such as the annual Hollywood Christmas Parade, the Los Angeles Marathon, the Academy Awards, numerous sporting events (e.g. college games

attracting as many as 90,000 people, as well as the Summer Olympics) and all of the other major entertainment and community events occurring within the City.

Police Commission Requirements & Rules

For many people, automobiles are an essential part of life in Los Angeles. We use them to get to work, for recreation and for everyday life. Most consumers do not think much about their vehicle ever getting impounded. Fortunately, for individuals whose cars are towed and impounded by the City of Los Angeles, the public will find a highly regulated and professional group of operators.

The current OPG system is decentralized and operates throughout the City, in order to provide a full offering of services to the public and city personnel. The towing companies who serve the City are one of the most highly regulated businesses in Los Angeles. Strict regulation is vital to instill public confidence and maintain good business performance.

To ensure that a uniform standard of quality and efficiency for those services was established and maintained, the City empowered the Los Angeles Police Commission to oversee, regulate and set the rules and regulations under which the service would be rendered.

The Los Angeles Police Commission (CID) regulates the OPGs. Rules governing the OPGs are many, significant and strict — from internal policies and procedures, administrative requirements, customer service decorum, facility and equipment requirements to rates. The OPGs are uniform in their service to the City of Los Angeles and must comply with the Police Commission's requirements under their contract.

Specifically, OPGs must comply with 25 separate City regulations, as well as additional state and federal laws pertaining to conduct, performance and appearance. CID periodically inspects each OPG. They each must file monthly activity reports detailing the number of call requests received from the City of Los Angeles and its various departments.

OPGs must maintain liability insurance, as well as insurance indemnifying the City. In more than 70 years, the City has never paid out a claim on an OPG-related matter.

DEREGULATION OF THE TOWING INDUSTRY “The Proliferation of Bandit Tow Truck Operators”

BACKGROUND

In 1995, vast deregulation of the towing industry occurred as part of the Federal Aviation Administration Act. The lion's share of the act focused on the airlines industry but certain sections dramatically affected both interstate trucking and the towing industry. Since then, federal laws seeking to deregulate the trucking industry have been interpreted by the courts to mean that the states' authority to regulate tow truck companies is relatively limited.

Today, state consumer protection laws are more difficult to enforce against tow truck companies in the face of federal preemption by the Motor Carrier Safety Act (“MCSA”). As a consequence, local law enforcement in California cannot regulate so-called “bandit tow truck operators.” Most complaints against bandit tow truck operators are now a civil matter.

Only Official Police Garages (OPGs) are regulated in Los Angeles.

WHAT ARE BANDIT TOW TRUCK OPERATORS?

Recent years have seen the widespread proliferation of so-called “bandit tow truck operators,” a faction of operators within the towing industry that exploit the lack of industry regulations, employ unethical and sometimes illegal business practices and exhibit unprofessional behavior. “Bandit towers” have become the bane of both the towing industry and of law enforcement and are threatening to give all tow truck operators a black eye.

Generally speaking, professional tow truck operators in California are hard-working, law-abiding citizens who adhere to the highest ethical standards and follow accepted codes of conduct within their local communities. First and foremost, they respond and rescue your vehicle when it’s broken down or been in an accident and will take it wherever you ask them. They make local streets safer and more efficient by responding to city requests, and they help local businesses by reducing illegal parking, which can hurt the revenues of businesses if there is nowhere left to park. Towing is a legitimate business that serves the needs of both the consumer and local government/law enforcement. In sharp contrast, “bandit tow operators” are different from legitimate tow operators, including their practice of monitoring or patrolling private parking lots in order to tow away vehicles failing to comply with state and local ordinances.

Police Commission Investigation Division receives complaints from individuals who have had their car towed from private parking by bandit tow operators. The complaints include:

- The tow operator not having authorization from the property owner to tow the car
- The fees to redeem the cars towed are excessive and considerably above what the local municipalities and OPGs are approved to charge. Many times, car owner’s return to their car to see a bandit truck hooked up to the car and the tow truck driver will not give the individual back their car until they pay a ridiculous fee, a de facto ransom
- Towing even when there are no properly posted signs on the property
- Unauthorized towing, when neither the property owner nor their agent was present at the property at the time the car was towed and did not authorize the car to be towed. The tow truck company is the “judge and jury” determining which cars gets towed
- Bandit tow truck operators are often engaged in paying “kickbacks” to property owners, property managers and security guards

- Predatory towing, where bandit towers patrol and monitor lots to look for cars to tow belonging to innocent citizens

PRIVATE PROPERTY IMPOUND COMPLIANCE

- Towing operators who do not accept a credit card, which is required by law

The greatest area of controversy within the towing industry is private property impound compliance. The OPGs comply with all state and municipal private-property impound requirements, while others do not. The OPGs:

- Do not tow a private impound unless the vehicle has been parked over 1 hour under specific circumstances as required by law
- Will not remove a vehicle from private property unless the property owner and/or agent is at the property identifying and directing OPG personnel to remove the vehicle and signing an authorization to have the vehicle removed
- Will not remove a vehicle from private property unless proper signs are posted (according to the California Vehicle Code)
- Will only charge rates set and approved by the City of Los Angeles and must release the vehicle at no charge if the owner of the vehicle arrives to the location prior to the tow truck initiating the tow.

REGULATION VS. OUTRIGHT RANSOM

OPG rates are approved and reviewed by the City of Los Angeles and Los Angeles Police Commission. Unregulated, non-OPGs set their own rates, often charging exorbitant fees and creating an unfair, unjust “ransom” environment for the motoring public.

KEY RECOMMENDATIONS FOR “CRACKING DOWN” ON “BANDIT TOWERS”

The following are required per the CVC and must be adhered to for all towing companies providing private property impound services in the State of California or are key recommendations for improvement of the current system for the sole purpose of public safety and convenience:

- Vehicles may not be towed from non-residential properties unless they have been parked for more than 1 hour under specific circumstances as required by law
- Towing company must have immediate written authorization from the property owner and/ or agent (except residential property consisting of less than 16 units) to remove vehicles from the property
- Vehicles may not be removed from private property unless the property owner and/or agent (not the towing company personnel) are at the property at the time the vehicle is towed directing

the towing company personnel to remove the vehicle and signing an authorization to have the vehicle removed

- Vehicles may not be removed from private property unless proper signs are posted
- Fees for towing and storage charges may not exceed the rates approved by the local municipality; or that of the California Highway Patrol for towing firms contracting with the CHP in the area from which the vehicle is removed
- The vehicle must be released if the vehicle owner arrives at the scene to redeem the vehicle before it has left the property (no more than 50% of the regular tow rate may be charged by the towing company and the vehicle owner cannot be coerced, intimidated or forced to pay such charge before regaining possession of their vehicle)
A statewide consumer affairs agency must be created to register all towing companies that possesses the regulatory power to enforce provisions of the law designed to protect the unsuspecting and currently unprotected citizens of California
- Sanctions for violators must be significant to encourage voluntary compliance with legal requirements
- A law should be passed that would prohibit a towing operator from doing business if A) they have been convicted of grand theft auto, B) they have been convicted of taking a vehicle without the owner's consent or C) they have been caught vehicle tampering, within the immediate five years proceeding them operating a tow truck
- A system should be put in place which requires immediate notification to law enforcement regarding where a vehicle has been impounded (A law exists currently, but needs better enforcement)
- Standard hours to redeem vehicles 365 days a year
- Vehicles taken from private property must be taken by an operator who is within a specific area where it is not inconvenient for the customer to redeem their vehicle. Bandits are coming from far and wide and taking cars miles from where they are towed. There is a section in the law addressing this concern but it must be amended and/or defined more specifically for compliance.

THE HIGH COST OF BANDIT TOW OPERATORS: TRAFFIC ACCIDENTS

Bandit towers have been associated with racing to the scene of vehicle accidents and allegedly obtaining authorizations from accident victims. This activity is referred to as "bird-dogging" and negatively impacts consumers and municipalities alike.

First, bandit tow operators monitor police and/or fire communications and race to the scene of accidents. This pattern of driving irresponsibly has resulted in injuries or fatalities to individuals as tow trucks race and speed to an accident scene.

Bandit tow operators also cost insurance companies and ultimately consumers in California hundreds of millions of dollars every year. They often refer accident victims to attorneys, doctors and conspiring body shops or repair facilities — something an OPG cannot and will not do. Consumers and insurance companies are some of the many victims of bandit tow operators because they pay additional fees racked up by all the referring or “capping” taking place.

Finally, municipalities suffer lost revenue due to bandit tow operators. The City of Los Angeles has been victimized financially because, when the vehicle involved in the accident is not impounded by an OPG, the City is unable to collect on:

- City of LA (Administrative) Vehicle Release Fees
- City Parking Occupancy Tax Fees
- OPG Franchise/Gross Revenue Fees
- The City is unable to recoup its costs of providing an officer to the scene of an accident due to the bandit tow operator taking the vehicle
- Delinquent parking citation fees remitted to the City by OPGs from lien sale excess fees

Community Involvement

Throughout our history, the OPGs have found that our investment in our communities where we live and work is as vital as investing in our business. The 18 OPGs do extensive work and partner with various organizations to improve social conditions that exist within the communities we serve.

To us, community involvement means more than writing a check. It means giving time and expertise to deliver measurable results to communities in need. The OPGs believe in being part of the solution to our community’s biggest challenges.

This is evident by our contribution of more than \$250,000 annually in donations to non-profits serving victims of child abuse, domestic violence, the elderly, and programs supporting our youth, education and literacy, arts and culture. OPG employees give generously of their time to both company-sponsored events and their favorite non-profit organizations. These individuals share their time by helping the handicapped, serving on boards of organizations, working with health and human service agencies, teaching, reading, tutoring, working with troubled youth, coaching sports, feeding the hungry, painting, landscaping...the list goes on and on. The OPGs focus our involvement in the following areas:

Public Safety programs throughout the city have benefited by the OPGs participation. Because of our close association with law enforcement, we support numerous PAL, Explorer and Reserve programs, LAPD S.W.A.T., and local station citizen awareness programs. Mothers Against Drunk Driving, the Los Angeles Fire Department’s Jaws of Life program, Los Angeles Police Foundation, Los Angeles Police Memorial Foundation, the Los Angeles Police Protective League and various booster programs are among many that receive the OPGs support.

Community Outreach is a personal, individual commitment made by our OPGs and their employees throughout the city. Through them, we reach out to the communities where we live and work, touching people we serve. OPGs participate in their local community groups such as their Community Police Advisory Boards and Neighborhood Councils. These groups specifically

address quality of life issues affecting our communities such as public safety, homeless, youth, senior and domestic violence and traffic. Involvement with Boys & Girls Clubs, YMCAs, supporting Police Activity Leagues, and numerous community hospitals are just a few of the organizations benefiting by the OPGs participation.

Vehicle Impound Information Center

Education, particularly for youth has been a primary focus as the OPGs participate in programs such as the Police Activity Leagues (PAL's), Los Angeles Center for Education Research, and LA's Best. The OPGs are aware of the inability of our education system to provide quality "after school" programs, which consist of academic tutoring, field trips, musical instrument instruction and sports. The OPG Association has taken on the philosophy and has made it a priority to assist our youth by providing more opportunities for them to learn, achieve and succeed.

The OPG Association of Los Angeles has been a model for private-public partnership across the country.

They serve the City of LA with the most efficient and effective service possible. This is not only true for their service to the Departments and Agencies of the City but to the general public as well. An example of this is the development and implementation of an innovative system called the Vehicle Impound Information Center (VIIC) website. The web-based system has been provided to the Los Angeles Police Department, and the Department of Transportation as well as the general public at no cost and contains information regarding impounded vehicles.

Through secured Internet access or by stand-alone computers located within police divisions, City personnel will have immediate access to information pertaining to impounded vehicles. The information will be available 24 hours a day, 7 days a week. The system will consist of several components, including a search menu that will provide immediate access to vehicle inventories by vehicle make, license plate, VIN and location where the impound occurred.

Although the information available to the Department is more comprehensive than that is available to the general public, the benefits of the Vehicle Impound Information Center system will provide the public with valuable information that will make locating an impounded vehicle far easier.

Under this new system, the public has the ability to determine the location of their vehicles by access through the Internet. General information is available in both English and Spanish. The information required to search would include the license plate number and vehicle identification number.

Conclusion

For more than 70 years, the OPGs have served the people of Los Angeles in helping to protect the public safety while providing good jobs at living wages to their employees.

Regulatory oversight and review is a vital component and critical to protecting the public. The Police Commission's charge is to select the best applicants to serve the City, demanding the most efficient and effective service possible and the highest degree of professionalism and integrity. It

is the high standards and requirements set by the Police Commission which have made the Official Police Garage system an enviable model and often emulated by many municipalities throughout the nation.

The OPGs work tirelessly to keep faith with the profound obligation they owe to the City of Los Angeles and the vital nature of the service they carry out on behalf of its various Departments and constituents. Our partnership with the City and our well-trained workforce has always been and will continue to be responsive to and proactive in addressing the City's needs.

Our industry faces challenges, to be sure. The proliferation of "bandit" towers have caused a crisis of confidence among the public. Our industry and the people we serve demand and deserve tougher protections cracking down on these "bad actors."

At the same time, OPGs are more determined than ever to uphold and expand the high standards we've set for ourselves in serving the City of Los Angeles. We stand ready to do whatever it takes to keep our streets and neighborhoods safe, to protect our customers' rights, quality of life and provide the most efficient and effective service possible to the City of Los Angeles.

For more information about the OPGs, please call the President of the OPG Association, Executive Director, Eric Rose at (805) 624-0572 or email Eric at Eric@englanderpr.com