

Complaint Against Sacramento Independent Taxi Owners Association's Hiring Practices

Issue

Sacramento Independent Taxi Owners Association (SITOA) is a nonprofit corporation organized to provide taxi service to the Sacramento International Airport. SITOA has a contract with Sacramento County (the County) that gives SITOA members the exclusive right to pick up passengers at the airport. The contract requires the use of fair, equal and non-discriminatory practices when hiring drivers. Does SITOA use fair, equal and non-discriminatory practices when hiring new drivers?

Reason for the Investigation

The Grand Jury received a complaint that SITOA engaged in discriminatory hiring practices. The complainant alleged the following specific actions occurred:

- SITOA officials hired relatives
- New drivers had insufficient driving experience and bad driving records
- There was discrimination based on religious, national and racial factors.

It was further alleged that the County may not have been receiving the appropriate income from the taxi fares as required by the contract, because there was no way to confirm independently how many fares were picked up at the airport by members of SITOA.

Method of Investigation

The Grand Jury interviewed the following:

- Assistant Director of Sacramento International Airport
- Deputy County Counsel assigned to airport representation
- SITOA's Attorney.

The Grand Jury reviewed the following materials:

- September 17, 2002 Consent Agenda Item, Board of Supervisors, County of Sacramento, Subject: Authorize the Director of Airports to Negotiate an Agreement for Taxicab Services at Sacramento International Airport Between The County of Sacramento And Sacramento Independent Taxi Owners Association (9/10/2002,#3)

- July 29, 2004 Letter to Deputy County Counsel, Sacramento County Counsel from Richard K. Turner, Kuykendall & Simas, LLP, re: Sacramento Independent Taxi Owner's Association Membership Investigation Report
- September 23, 2004 Letter to Attorney for SITOA from the Deputy County Counsel re: SITOA Clarification of Relationship.

Background and Facts

In June 2002, the Board of Supervisors approved a request for proposals for the exclusive rights to provide taxicab services at the Sacramento International Airport (Airport). In September 2002, the Airport was authorized by the Board to negotiate an agreement with the successful bidder, the Sacramento Independent Taxi Owners Association (SITOA).

SITOA is a nonprofit corporation organized specifically to respond to the County's desire to contract with a single entity to provide taxi service from the Airport. SITOA's membership is composed of approximately 60 members, each of whom owns his or her own cab, and operates the cab independently. Only SITOA members are authorized to pick up passengers at the airport. SITOA does not provide compensation to its members.

As part of its contract with the County, SITOA agreed to maintain a specified number of cabs at the airport to meet the demand for taxi service. In addition, the contract between SITOA and the County states in part:

“...its officers, members, owner/operators, agents and representatives shall at all times conduct business in a manner which assures fair, equal, and non-discriminatory treatment of all persons with respect to race, creed, color, sex, national origin, age or disability. In particular, Contractor shall do the following:

A. Maintain open hiring and employment practices and shall welcome applications for employment in all positions from qualified individuals who are members of minorities.

B. Strictly comply with all requirements of applicable federal, state or local laws and regulations issued pursuant thereto relating to the establishment of non-discriminatory practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex, national origin or disability.”

In late March/early April 2004, the SITOA Board decided to recruit 10 new members. Information was released to the taxi-driving community seeking applications. Based on information supplied by SITOA, there were 68 applicants. However, 39 had less than the five years experience required by SITOA and were informed that they were ineligible for consideration.

The qualifications for the remaining 29 applicants were reviewed by the SITOA Board of Directors in a closed session. The review consisted of making sure the applicants filed the application and had submitted a printout of their driving record on file with the Department of Motor Vehicles. The Board members had the opportunity to discuss any personal knowledge they might have about an applicant and were able to make recommendations on the applicants' suitability for membership in SITOA.

Through this process some 25 applicants were determined to be qualified. A lottery was used to determine which of the 25 would be selected for the available taxi slots. Ten drivers were tentatively selected for membership, and seven more were tentatively selected to be placed on a waiting list.

However, according to procedures used by SITO A, prior to being accepted into membership each prospective new member should have been required to pass a written test. The test evaluated the applicant's basic knowledge of procedures, conduct of taxi operation at the airport and also tested for basic math, writing skill and the ability to use a map book correctly.

After the lottery, but prior to the administration of the written test, the SITO A President, apparently without the approval of the Board, telephoned the 10 who had been tentatively selected for membership to let them know of their selection. When it was later determined that the lottery had been performed before all of the requirements for the application had been met, the Board elected to repeat the application process. Shortly thereafter, the SITO A President resigned.

After the decision was made to conduct a new review of all applicants, four drivers who had been previously selected were informed their applications would not be approved.

The new review resulted in approval of 10 applications. A new waiting list was also added which included five more. Of the candidates informed of their tentative approval in the first review, four were informed that they would not now be selected. Also, a fifth person was removed from the waiting list because of information obtained about the candidate.

Because of the difficulties encountered in the initial application review process SITO A requested its attorney do an internal investigation. The attorney hired an independent investigator to study the matter.

The investigator found that while there did appear to be problems with the first process of selection, there did not appear to be evidence of racial or religious discrimination in the recent membership process.¹

SITO A's attorney also stated that on a going-forward basis, a new process will be developed to replace the lottery-style process. This new process will be conducted by a third party independent evaluator and focus on screening, interviews, and other admission qualifications.

SITO A has also worked with the Sacramento County Deputy County Counsel in an effort to clarify the continuing relationship between SITO A and the County. As a result of the discussions between SITO A and the County, SITO A has amended its selection protocol to include:

¹ The application to SITO A does not ask for race or religious affiliation. However, according to data provided by SITO A the Association's membership is drawn from a diverse variety of national backgrounds. The national origins of 62 members listed by SITO A include 13 from the U.S., 13 from India, 10 from Afghanistan, and eight from Laos. The remaining 18 members come from an additional 10 countries. SITO A also indicates 19 members are Christian, 18 are Muslims, 13 are Sikhs, eight are Buddhist and four practice other religions.

- Posting announcements of new membership selection, and placement of ads in *The Sacramento Bee* and one other weekly publication
- More timely review of applications
- Documented qualification requirements, including more prescriptive requirements involving driver records
- More stringent review for truthfulness of information put on applications
- More structured interviews and requirement of a passing score on written examination for membership
- Continuation of a lottery selection
- Posting of new members
- Establishment of a complaint appeal process
- Continuous reporting of any investigations to the Director of Airports.

The County Counsel's Office was aware of the complaints and has issued a letter that defines the membership selection processes that SITO A must follow. The letter states that SITO A must review all existing drivers to confirm that they meet the new standards. Those drivers with non-conforming DMV records are to be removed from membership in SITO A. Airport staff also confirmed that they did not have a method to ensure that SITO A members were properly reporting the number of fares they were picking up at the Airport. Because of this they have implemented the use of transponders that will enable the tracking of SITO A members at the Airport. The Airport also indicated it has assigned an employee to address all taxicab related issues in the future. Airport officials may be involved in ongoing hiring practices as they occur, and are charged with spot checking various aspects of the taxi service to ensure the public's interest is being met. SITO A's contract expires in November 2005. The County will re-open it up for bid with a new Request for Proposal.

Findings and Recommendations

Based on the interviews conducted and the evidence reviewed, the Grand Jury determined:

Finding 1. It could find no evidence that relatives were hired by SITO A, or of discrimination based on religious, national or racial issues.

Recommendation 1. No recommendation.

Finding 2. There was no evidence that SITO A was initially handling applications inappropriately.

Recommendation 2. Airport staff should ensure that taxi contractors follow the procedures, protocols and requirements agreed to by it and the Sacramento County Counsel's Office.

Finding 3. The County Airports Office failed to provide oversight of SITOA's hiring procedures prior to the complaints by applicants. However, the County Counsel now has the assignment to ensure compliance of the rules and to research future contracts.

Recommendation 3. County Counsel should continue to oversee the County contract between taxi contractors and the Airport.

Finding 4: The Airport had no way of ensuring that the appropriate fees were being paid to the Airport. The Airport indicates that transponders have now been installed in all of the cabs to record each trip. This will provide a way to track the fees due to the Airport by the drivers.

Recommendation 4. The Airport should continue to have an assigned employee oversee all taxicab issues, provide periodic public reports on the taxicab services of the airport, and act on problems in a timely manner.

Response Requirements

Penal Code sections 933 and 933.05 require that specific responses to both the findings and recommendations contained in this report be submitted to the Presiding Judge of the Sacramento Superior Court by September 30, 2005, from:

- **Sacramento County Director of Airports, Findings 2 – 4, Recommendations 2 - 4.**

The Grand Jury cannot require SITOA's legal counsel to respond to the findings and recommendations in this report. However, we believe that the public would be best served if the law firm of Kuykendall & Simas, LLP would respond to Recommendation 2.