

Agenda Item#

75

Supporting
Documentation
presented at
the GSM



November 5, 2024

Re: Illegal Operators

Dear Nevada Transportation Authority,

I am writing to express my deep concerns regarding the persistent issue of illegal transportation operators throughout Las Vegas and surrounding areas. My background includes over 36 years in public safety, during which I served nearly two decades as a Police Sergeant with the Las Vegas Metropolitan Police Department. I have dedicated my career to protecting the public, and today, as the CEO of Driven Transportation Group, CPCN MV 6163, I remain committed to upholding those same principles in the transportation industry. Addressing the issue of illegal operators has become a critical concern as I have personally witnessed several illegal operators conducting business during almost every major event and most weekends.

Illegal operators not only undermine lawful business but also pose a substantial risk to public safety. These individuals engage in unauthorized transportation services without appropriate licensing or insurance. This lack of oversight often leads to substandard vehicle maintenance, reckless driving practices, and a disregard for the regulations designed to protect passengers and other road users. Moreover, illegal operators are frequently involved in additional forms of criminal activity, including overcharging clients, fraudulent practices, assault and battery, and even involvement in drug trafficking or human exploitation under the guise of transportation services. These issues extend far beyond simply operating without a license, escalating the potential danger to everyone involved.

Across the United States, there are numerous criminal and civil cases stemming from the actions of illegal operators in the limousine and rideshare industries. These cases reveal the real harm caused by unlicensed drivers, from accidents that lead to injury or death due to poorly maintained vehicles to financial exploitation of passengers and, in some cases, even violent crime. Such cases underscore the critical need for rigorous enforcement to prevent these individuals from jeopardizing passenger safety and eroding public trust in licensed operators.

History has shown that without strong accountability, illegal operators will continue their activities undeterred. To combat this, stricter enforcement and meaningful penalties are essential. The NTA must consider ways to enhance enforcement and fund these efforts, whether through targeted initiatives, legislative support, or partnerships within the community, i.e. the strip resorts. Additionally, stiffer fines should be imposed on repeat offenders, as it appears they are pushing the boundaries as they know the consequences are relatively low and has a minimum effect on their finances. Such



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measures will send a clear signal that Nevada values the safety of its residents and visitors and is committed to upholding the integrity of its transportation industry.

From my experience as Public Safety Expert and business owner, below, I have identified six primary issues these illegal operators are involved in:

1. Operating Without Proper Licensing or Insurance

Illegal operators commonly operate without the licenses required by the NTA, or without the necessary insurance coverage. Unlicensed operators avoid these requirements, putting passengers at risk and bypassing state and local safety regulations, which are particularly stringent in busy tourist destinations like Las Vegas.

2. Passenger and Pricing Fraud

Unlicensed limousine and rideshare operators frequently engage in deceptive practices, including price gouging and fare manipulation. They may charge passengers exorbitant rates without providing an upfront fare, taking advantage of tourists unfamiliar with standard rates. Fraudulent operators also engage in "bait-and-switch" tactics, using misleading advertisements or false claims to attract passengers, then charging them far more than initially stated. This kind of fare exploitation is common in crowded, high-demand areas like Las Vegas, especially during large events.

3. Vehicle Safety and Maintenance Negligence

Illegal operators often neglect vehicle safety standards, as they lack the oversight imposed on licensed operators. This may include failing to conduct regular vehicle maintenance, using outdated or unfit vehicles, and ignoring mandated safety inspections. Such vehicles may have faulty brakes, tire issues, or inadequate safety features, increasing the risk of accidents and injuries to passengers and others on the road.

4. Involvement in Broader Criminal Activities

It has been a known fact for decades, that some unlicensed operators are involved in criminal activities beyond their illegal operations. There have been cases of operators engaged in drug trafficking, human trafficking, and even facilitating prostitution. Because illegal operators often operate in the shadows, they are more likely to associate with other criminal enterprises.

5. Evasion of Taxes and Fees

Licensed operators pay fees, taxes, and adhere to regulations that contribute to local and state economies. Illegal operators, however, bypass these financial responsibilities, depriving cities of revenue used for transportation infrastructure, law enforcement, and public safety. This creates an unfair competitive environment where unlicensed operators benefit from avoided costs, often at the expense of compliant businesses.

6. Liability and Accountability Issues

Unlicensed operators lack the legal accountability that licensed operators maintain. In cases of accidents, theft, or other issues, there is often no legal recourse for passengers. Without insurance, passengers who are harmed have limited means to seek compensation, and unlicensed drivers can disappear without repercussions.

Thank you for your time and attention to this pressing issue. I am ready to support the NTA in any way possible to strengthen enforcement and safeguard public safety in Las Vegas.

Best regards,

A handwritten signature in black ink, appearing to read 'Jonathan Simon', with a stylized flourish extending to the right.

Jonathan Simon, CEO
Driven Global Transportation

NRS 706.756 Unlawful acts; criminal penalties.

1. Except as otherwise provided in subsection 2, any person who:

(a) Operates a vehicle or causes it to be operated in any carriage to which the provisions of NRS 706.011 to 706.861, inclusive, apply without first obtaining a certificate, permit or license, or in violation of the terms thereof;

(b) Fails to make any return or report required by the provisions of NRS 706.011 to 706.861, inclusive, or by the Authority or the Department pursuant to the provisions of NRS 706.011 to 706.861, inclusive;

(c) Violates, or procures, aids or abets the violating of, any provision of NRS 706.011 to 706.861, inclusive;

(d) Fails to obey any order, decision or regulation of the Authority or the Department;

(e) Procures, aids or abets any person in the failure to obey such an order, decision or regulation of the Authority or the Department;

(f) Advertises, solicits, proffers bids or otherwise is held out to perform transportation as a common or contract carrier in violation of any of the provisions of NRS 706.011 to 706.861, inclusive;

(g) Advertises as providing:

(1) The services of a fully regulated carrier; or

(2) Towing services,

↪ without including the number of the person's certificate of public convenience and necessity or contract carrier's permit in each advertisement;

(h) Knowingly offers, gives, solicits or accepts any rebate, concession or discrimination in violation of the provisions of this chapter;

(i) Knowingly, willfully and fraudulently seeks to evade or defeat the purposes of this chapter;

(j) Operates or causes to be operated a vehicle which does not have the proper identifying device;

(k) Displays or causes or permits to be displayed a certificate, permit, license or identifying device, knowing it to be fictitious or to have been cancelled, revoked, suspended or altered;

(l) Lends or knowingly permits the use of by one not entitled thereto any certificate, permit, license or identifying device issued to the person so lending or permitting the use thereof; or

(m) Refuses or fails to surrender to the Authority or Department any certificate, permit, license or identifying device which has been suspended, cancelled or revoked pursuant to the provisions of this chapter,

↪ is guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than \$100 nor more than \$1,000, or by imprisonment in the county jail for not more than 6 months, or by both fine and imprisonment.

2. Any person who, in violation of the provisions of NRS 706.386, operates as a fully regulated common motor carrier without first obtaining a certificate of public convenience and necessity or any person who, in violation of the provisions of NRS 706.421, operates as a contract motor carrier without first obtaining a permit is guilty of a misdemeanor and shall be punished:

(a) For a first offense within a period of 12 consecutive months, by a fine of not less than \$500 nor more than \$1,000. In addition to the fine, the person may be punished by imprisonment in the county jail for not more than 6 months.

(b) For a second offense within a period of 12 consecutive months and for each subsequent offense that is committed within a period of 12 consecutive months of any prior offense under this subsection, by a fine of \$1,000. In addition to the fine, the person may be punished by imprisonment in the county jail for not more than 6 months.

3. Any person who, in violation of the provisions of NRS 706.386, operates or permits the operation of a vehicle in passenger service without first obtaining a certificate of public convenience and necessity is guilty of a gross misdemeanor.

4. If a law enforcement officer witnesses a violation of any provision of subsection 2 or 3, the law enforcement officer may cause the vehicle to be towed immediately from the scene and impounded in accordance with NRS 706.476.

5. The fines provided in this section are mandatory and must not be reduced under any circumstances by the court.

6. Any bail allowed must not be less than the appropriate fine provided for by this section.

(Added to NRS by 1971, 716; A 1979, 919; 1981, 1031; 1985, 333; 1987, 2258; 1989, 211, 1413; 1995, 2618; 1997, 1543, 1952, 2681, 2990; 1999, 626, 627, 1963; 2003, 3209; 2005, 942; 2011, 2656, 3658; 2013, 659, 1037, 2006, 2161, 2181, 2536; 2015, 1472; 2017, 2162; 2019, 2963)

Nevada Transportation Authority

Subject: Urgent Action Needed Against Illegal Transportation Operators in Las Vegas

Dear Nevada Transportation Authority,

On behalf of certified transportation providers in Las Vegas, I am submitting this report to highlight the growing issue of illegal operators who jeopardize public safety and compromise the professionalism of our industry. Our findings reveal a disturbing pattern of illegal operators working unchecked, underscoring the need for stronger enforcement and protection for licensed carriers.

1. Background

In February 2024, a group of certified operators convened to address the challenges that illegal operators pose to our businesses and the broader public. These operators bypass licensing, insurance, and regulatory requirements, which not only undercuts our businesses but also places the public in potentially dangerous situations.

2. Actions Taken to Date

We have consistently reported illegal operators to the NTA through your online portal, providing photos, videos, and other evidence of solicitation at major events and venues. However, delayed responses limit the effectiveness of these efforts, allowing illegal operators to continue unchecked. Additionally, we presented our concerns at an NTA general session in hopes of raising awareness and driving meaningful action.

3. Investigation Findings

Through our investigations, which include third-party surveillance and undercover rides with illegal operators, we've documented an alarming pattern across multiple locations in Las Vegas. Below are our specific findings:

- **The Sphere:** We documented over 40 illegal operators soliciting passengers without proper insurance or background checks. Certified carriers are unable to use the Sphere's designated drop-off and pick-up areas and are forced to drop clients off in unsafe locations, often in the middle of the street. Certified carriers face threats from parking enforcement and are sometimes required to pay \$50 to park and pick up clients safely. When we reached out to the head of transportation at the Sphere, we were told that certified carriers must purchase a suite, at a cost of \$300,000 for a two-year term, to have consistent access. We have video evidence of illegal operators using VIP areas at the Sphere, as well as recordings of cash transactions

for rides. The Sphere's representatives expressed no concern for enforcing rules against illegal operators, citing private property rights.

- **Convention Center:** Illegal operators are given priority over certified carriers. Despite having charter orders, certified carriers are often denied access while illegal operators and rideshare vehicles are permitted. During surveillance, we recorded clients being forced to disembark in the middle of the street due to parking enforcement blocking certified carriers from designated zones. This unsafe practice was also highlighted by a local client, who reported a poor experience due to restricted drop-off access.
- **Park MGM and the Dolby Theater:** Illegal operators crowd outside valet and door areas, harassing certified carriers and attempting to undercut rates in front of clients. During a Maroon 5 concert in September, we took three rides from illegal operators. These operators offered alcohol for sale in the vehicles and attempted to pressure passengers into visiting strip clubs. Cash fares from Park MGM to Aria were offered at \$50, while credit card payments were inflated to \$90.
- **T-Mobile Arena:** After Golden Knights games and other events, illegal operators are found soliciting rides in VIP zones where certified carriers have no access. Rates for these rides fluctuate based on demand, averaging between \$50 and \$150. In our undercover rides, these operators openly discussed working independently, claiming they could operate without permits. They even distributed business cards, promoting their services as private businesses rather than licensed operators.
- **Allegiant Stadium:** Following events at Allegiant Stadium, over 50 illegal operators can be seen gathering outside to solicit rides. In one instance, parking enforcement used golf carts to transport patrons directly to these illegal operators. We recorded an illegal ride where the driver openly admitted to being unlicensed and required payment before arriving at the destination to avoid issues with hotel valet staff.
- **Hotels Across the Strip:** We tested illegal transportation services between various hotels, including Fountain Blue, Resorts World, Wynn, Flamingo, and Circa. At the JSX Terminal, we documented instances where valet attendants refused certified carriers and redirected guests to illegal operators. Video evidence shows illegal operators completing multiple rides from JSX, facilitated by the valet staff.

4. Challenges Faced by Certified Operators

Certified carriers are consistently hindered in serving clients due to restricted access to key event locations, harassment from illegal operators, and obstructive actions from parking

enforcement and venue management. These barriers not only disrupt our services but compromise safety, forcing certified operators to drop clients in unsafe areas.

5. Public Safety Impact

Illegal operators circumvent essential requirements like insurance, background checks, and vehicle inspections, exposing the public to unregulated and potentially unsafe experiences. We documented instances where illegal operators offered alcohol to passengers, solicited visits to specific establishments, and pressured clients into uncomfortable situations.

6. Recommendations for NTA Action

To mitigate these issues, we urge the NTA to consider the following actions:

- **Increase Penalties and Fines:** Implement higher fines for repeat offenders to deter illegal operations effectively.
- **Enhanced Enforcement:** Place NTA personnel at high-traffic venues like the Sphere, T-Mobile Arena, and Allegiant Stadium to monitor and enforce regulations. Establishing checkpoints at these locations would significantly reduce illegal activity.
- **Collaboration with Venues:** Partner with major event venues to create designated pick-up zones for certified carriers and establish penalties for venues that permit illegal operators to solicit rides on their property.
- **Transparency and Accountability:** Streamline the reporting process for illegal activity, with a dedicated NTA team for faster response and follow-up on reported violations.

7. Conclusion

Illegal operators present an immediate threat to public safety and the livelihood of certified carriers. On behalf of Las Vegas's certified transportation providers, we urge the NTA to take decisive action against illegal operators and restore integrity to our industry.

Sincerely,

Thank you,

Donielle McKee

Personal Sedan Services