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**ASSESSMENT  
OF  
TOWING  
OPERATIONS**

**NOVEMBER 2009**

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## **ASSESSMENT OF TOWING OPERATORS**

### **EXECUTIVE SUMMARY**

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#### **Why the Controller’s Office Conducted the Review**

Historically, towing operators have been problematic to both police departments and local governments due to improper regulation and oversight. Following citizens’ concerns about towing operators within the City, the Office of the City Controller conducted this assessment to review the oversight of towing operators and operations within the City and their compliance with City Codes.

#### **What the Controller’s Office Found**

While there have been efforts to improve oversight of safety and inspection for licensed tow trucks, ineffective enforcement of City Code requirements on towing operations has resulted in excessive and usurious fees. Other findings included:

- Improved enforcement is needed within Licenses and Inspections (L&I) to resolve towing incidents and problems.
- The tracking system used by L&I was not properly monitoring trends and habitual problem towing operators.
- Towing operators were charging fees in excess of City Code limits.
- Towing signs violated City ordinances such as listing excessive fees, additional charges, and indicating “cash only”.
- The top eight private towing operators, accounting for 84 percent of all tows during a three month period, revealed that they only accepted cash.

#### **What the Controller’s Office Recommends**

The Controller’s Office has developed a number of recommendations for both L&I and Police management to address these findings. The recommendations can be found in the recommendations section of the report.

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**BACKGROUND**

In mid July, 2008, local NBC affiliate, WCAU TV 10 contacted the Controllers Office to obtain the Controller's reaction to a story the station was preparing about towing operations within the City. After reviewing the information presented, the Controller initiated this project to assess the oversight of towing operators and operations with the City and their compliance with City Codes.

On July 22, 2008, WCAU broadcast the story which identified problems with private parking enforcement and highlighted particular concerns about one company, Manton Towing. On July 30, 2008, WCAU aired a follow-up story, again highlighting concerns with both private parking enforcement and Manton Towing.

Historically, towing operators have been problematic to both police and local governments and, as a result, they have received particular attention in both regulation and oversight. Within Philadelphia, the City Codes specifically address a number of issues including towing operations, allowable fees, licensing requirements, insurance, equipment, impoundment signage requirements and, most recently, acceptable methods of payment. According to sources within both L&I and the Police, the regulation and oversight of towing operations has improved over the years. However, as evidenced by the WCAU reports specifically, and a review of L&I's records as well as complaints from the Police, the area of private parking lot enforcement continues to be a major source of problems.

To operate a private towing service within the City, the operator has to have a valid Business Privilege License and each vehicle used in the service must be individually licensed. A tow vehicle license is issued only after an inspection by both the Police Department and L&I inspection personnel. If a tow vehicle is found operating within the City without a valid license, Police personnel are supposed to have the vehicle impounded and only released after the payment of a \$500 impoundment fee (The Philadelphia Code, Section 9-605, Towing, paragraph 14 (b) ).

Information obtained from City departments revealed the following

- Records indicated 574 towing operators licensed to operate within the City with a total of 1,238 vehicles whose licenses were listed as "active".
- L&I's had received a total of 44 complaints against tow operators during 2007 and 2008, and as a result of these complaints, seven tow companies were temporarily suspended and three were referred to the Municipal Courts.
- During a three month sample period, May through July 2008, Police records list a total of 2,153 private vehicles that were towed by 33 different towing operators.
- Of the 2,153 private tows, 84% were conducted by only eight companies.

## ***KEY FINDINGS***

### **IMPROVED INSPECTION PROCEDURES IN IDENTIFYING AND CORRECTING HISTORICAL TOW TRUCK PROBLEMS.**

Historically, one of the major concerns with towing operators was the safety and proper licensing of tow vehicles and their operators. As a result, in a joint effort with L&I and the Police Departments, an improved inspection process was instituted in October 2007.

This improved inspection process includes a complete safety inspection of the vehicle as well as a thorough review of the vehicle registration and operators qualification, in accordance with US Department of Transportation requirements as well as City Code requirements. These inspections are conducted by specifically trained Police personnel from the Truck Enforcement Unit of Traffic/Park Division along with inspectors from L&I. Observations of these inspections by Controller personnel, as well as interviews of those conducting the inspections and some tow truck operators, indicated that these inspections appeared successful in insuring tow trucks are properly maintained and equipped prior to being issued a license to operate in the City.

It should be noted that this improvement to the inspection process had not yet been in place for a full year at the time of the Controller's Office review. It is anticipated that further improvements will be seen as the program matures.

### **TOW TRUCK OPERATORS USE MULTIPLE BUSINESS ENTITIES TO CIRCUMVENT REGULATORY EFFORTS.**

During the two years prior to the Controller's Office review, at least two different tow truck operators had their license to operate revoked by L&I. In both instances, even with L&I taking appropriate enforcement and revocation actions, the companies were able to reconstitute, virtually unchanged, with a new business name and obtain new licenses to operate.

#### Northeastern Automotive Group/Manton Towing & Transport:

Manton Towing was the focus of the WCAU story as one of their employees was being sought by Police in connection with an improper impoundment and conversion to scrap of a private vehicle. A review of City as well as other government and internet records and interviews of L&I and Police personnel revealed the following:

- During mid-2007, the Northeastern Automotive Group's license was suspended by L&I due to unresolved and numerous citizen complaints, primarily dealing with improper towing and excessive fees.
- The Northeastern Automotive Group was owned by a Byron Tarlton, had a listing of Melissa Magnuba as the Vice President and a manager listed as Corey Vanderburg.
- Within a few weeks of Northeastern Automotive Group being suspended, Manton Towing obtained a towing operators license with the City.
- Manton Towing listed Melissa Magnuba as President, Byron Tarlton as Vice President and Corey Vanderburg as a manager.

- Byron Tarlton has a residential address listing in Willow Grove. Also listed at that address was Melissa Manguba who also goes by the name of Melissa Tarlton.
- Three tow trucks previously licensed with Northeastern Automotive Group were subsequently licensed with the City under the name of Manton Towing.
- According to sources, two of the tow trucks continue to maintain the name of Northeastern Automotive Group on the vehicle registration with the State of Pennsylvania.
- Much of the web site for Northeastern Automotive Group and Manton Towing were virtually identical with only the name change.
- Phone numbers used by Northeastern Automotive Group and Manton Towing were the same.
- Private parking lot signs for Northeastern Automotive Group were identical with only the Manton Towing name pasted on.
- The City Code mandated sign on one private lot listed Northeastern Automotive Group as the company responsible, yet Police records indicated a vehicle had been taken from that lot by Manton Towing.
- L&I personnel indicated that they were aware that Northeastern Automotive Group and Manton Towing were virtually the same company but, due to the name change, were unable to do anything about it.
- Concurrent with the WCAU story being aired, a towing associated blog had comments from Byron Tarleton using wording indicating he was the owner of Manton Towing.
- A review of Pennsylvania records as well as other states records failed to uncover any company incorporated as Manton Towing & Transport Inc., even though they have used “Inc” on their internet site, in correspondence with L&I and on some private parking lot signs.
- It appears that Manton Towing does have a US Department of Transportation license issued in the Manton Towing name.
- Additional complaints were received by L&I concerning Manton Towing, even after the name change.
- After receiving a formal complaint from Police, initially L&I suspended Manton Towing’s license but allowed them to resume operations without consulting the Police source of the complaint.
- Manton Towing was suspended for 38 days while they corrected violations noted by L&I.
- While the Police complaint concerning Manton Towing involved “nuisance”, L&I records indicate they were inspected and required to obtain an additional license for their premises, show proof of insurance, show proper zoning, show that the vehicle impounded by Police had been released and add their address to a private parking sign.

It is clear that Northeastern Automotive Group and Manton Towing are virtually the same company and that the name change was most likely precipitated by the L&I revocation of Northeastern Automotive Group’s license.

Tow Decision Inc./Universal Towing:

- According to L&I files, Tow Decision, owned by Michael Williams, was the subject of numerous complaints to L&I.
- During 2007, many administrative hearings were conducted concerning excessive fee complaints, issuance of blank receipts and improper signage.
- Most complaints were resolved by Tow Decision issuing a refund for overcharges.
- In October 2007, Tow Decision's license was revoked for 90 days.
- In November 2007, the revocation of Tow Decision's license was suspended pending court action.
- In December 2007, two of Tow Decision's tow trucks were licensed under the name of Universal.
- On May 7, 2008, again as the result of continual complaints of overcharging, L&I revoked Tow Decision's license for a one year period.
- Between May 1 and August 31, 2008, Police records indicate Universal conducted 116 private tows.
- A review was conducted of 20 of the locations from where tows were allegedly conducted by Universal and revealed that all locations reviewed had signs posted for Tow Decision (see Attachment 2)
- The owners of Tow Decision and Universal have had a previous business relationship.

From the information developed, it appears that Tow Decision continued to operate, towing vehicles from lots with their name listed on the warning signs, but gives the Universal name to Police, to circumvent the L&I suspension.

**L&I'S SYSTEM OF TRACKING AND ENFORCEMENT NEEDS ADDITIONAL IMPROVEMENT**

According to L&I Compliance personnel, they have over 1,536 complaints listed in their HANSEN system, the system they use for enforcement and compliance. However, they were unable to provide information on how many complaints have been received against a particular operator, nor were they able to determine, without extensive research, repeat violations, trends or other analytical or statistical analysis directly relating to towing operation and operators.

L&I's complaint tracking system and problems associated with it were extensively discussed in a previous performance audit of L&I entitled "Assessment of Housing Inspection and Enforcement Process", which was released on September 19, 2006. As a result of this previous assessment, extensive review of HANSEN data and capabilities was not undertaken during this review.

**IMPROVED COORDINATION BETWEEN POLICE AND L&I DEPARTMENTS  
COULD ENHANCE REGULATION, ENFORCEMENT AND POLICE OPERATIONS**

According to Police personnel, private parking towing operations provide opportunity for unscrupulous operators, under cover of their private parking enforcement authority, to steal private automobiles. As a result, the Police Department has spent considerable time and effort to monitor and control these operations to prevent vehicle thefts.

Unfortunately, private parking enforcement and towing operations also tend to be a confrontational process. As a result, Police are continually called to mediate between towing operators and members of the public whose cars have been or are subject to being towed. The total numbers of calls for service by Police as a result of towing operations could not be ascertained, but anecdotal information indicated the problem is considerable and has a negative impact on Police operations. Police personnel mediating towing enforcement problems takes them away from pursuing other more pressing law enforcement functions.

According to Police incident information reviewed as well as complaint information available to L&I, a large percentage of conflicts between towing operators and the public centers around fee charges. While the City Code is very specific on what may be charged, evidence was uncovered that all major towing operators in the city advertise fees in excess of what is allowable by the City Code. A field review of the top eight towing operators, accounting for 84% of private vehicles towed during a sample three month period, indicated that all had signs posted indicating fees in excess of those allowed by City Code (see addendum 1).

According to current City enforcement policy, L&I is primarily responsible for enforcing Title 9 of the City Code, which regulates Business, Trades and Professions, including Towing. Police personnel are referring complaints concerning towing operators and their business practices to L&I for resolution. However, there is not an effective process for referring routine issues that come to the notice of Police, such as excessive fees on signs, improper signage, etc.

The Police also have, at times, referred major complaints concerning particular towing operators to L&I. However, there was no evidence in L&I files nor Police Department records indicating that L&I had notified the complainant (i.e. the Police Department) of the eventual outcome. A case in point involved a specific nuisance complaint made by the Police Department concerning Manton Towing. According to L&I, the complaint was resolved, but the results of their review were not communicated to the Police.

Finally, in the review of Police Department records of privately towed vehicles, one company was listed as being allowed to tow a vehicle on May 22, 2008, after their license was revoked on May 7, 2008, by L&I. We were unable to find any correspondence to Police concerning this company's suspension.



## CURRENT CITY CODES WERE NOT FULLY ENFORCED

According to current City enforcement policy, L&I is responsible for enforcing Title 9 of the City Code, which regulates Business, Trades and Professions, including Towing. Title 9, Section 605 (14) (a) specifically indicates that any person who violates any provisions of the towing section “shall have his towing license revoked for 90 days upon the first offense and for one year upon each succeeding offense”. In addition to revocation, section 9-605 (14) (c) states that “Any person who violated this Section shall have committed a Class III offense and be subject to the fines set forth in subsection 1-109(3) of The Philadelphia Code”. Currently that fine is set at \$2,000.00.

As noted previously, there were numerous instances where towing companies violated the provisions of the City Code, yet the stipulated revocation period was not imposed.

In another instance, excessive fees listed on private parking area signs were overlooked. In this instance, L&I required that the towing operator add the address of his impoundment lot to the sign. However, the sign, identical to the one pictured at right, listed fees and additional charges in direct violation of City Code Section 9-605 (11) (b), which states, in part, that “No towing company may charge more than \$150 for towing a vehicle pursuant to this subsection” and “Neither the towing company, owner of the property from where the vehicle was towed nor any other person may charge the vehicle owner or operator any other charges, amounts or fees in connection with the towing and storage of the vehicle.”



A field review was conducted of private parking signs of the top eight companies in a Police Department listing of private vehicles that were towed during a selected three month period. These eight companies reviewed conducted 84% of the private vehicle tows during this period. We did not review all towing companies, only the top eight, as the additional 25 companies accounted for only 16% of the vehicles towed.

The review indicated that all eight companies had signs that were not in compliance with City Codes and/or listed fees in excess of those allowed. A complete listing of our sign review is included at attachment 1.

It should be noted that L&I has enforced City Codes, at times, but only upon receipt of a complaint. Most of the complaints reviewed involved overcharges and were resolved with appropriate refunds being made and no other enforcement actions. However, in at least two cases, companies were suspended but, unfortunately, were able to continue operations under a

different name. These two cases, involving Northeast Automotive Group and Tow Decision, were discussed above. We also found no record of any proactive enforcement efforts in the files provided by L&I. L&I did provide information that during 2007 and 2008 they had temporarily suspended seven tow companies and had referred three companies “to Municipal Court”.

Additionally, as a result of concerns about the “cash only” payment requirements of towing operators, a City Ordinance was introduced, passed and was signed into law in June 2008, requiring all towing operators to accept debit and credit cards for payment of towing and storage fees. A pretext survey of the top eight towing operators was conducted in September, three months after the Ordinance was passed and all eight indicated they would take payment only in cash and they did not accept debit or credit cards. There is no indication in L&I files of any enforcement actions relating to this ordinance, but, according to L&I personnel, they are in the process of notifying towing companies of the ordinance and will enforce the requirement along with other code requirements.

Finally, according to L&I sources, they could recall only two instances in the last four years, both in 2007, where a towing operator was referred for additional legal actions. Of these two, one involved Tow Decision (see findings above) whose court case was dismissed due to “no service” and another involved a company that was not involved in private parking lot towing but did result in a \$1,000 default judgment. L&I sources failed to recall anytime a towing operator involved in private parking towing had received fines as listed in the City Codes.

## **CONTROLLER'S RECOMMENDATIONS:**

### **RECOMMENDATIONS FOR L&I MANAGEMENT**

- Implement additional mechanisms for tracking problem companies as well as towing company management personnel.
- Consider recommendations, through appropriate offices, to improve the City Code to enhance enforcement of revocations and prohibit operators from circumventing enforcement actions by merely changing their operating names.
- Enforce current code requirements, including posting of allowable fees and acceptance of debit and credit cards by towing operators.
- Establish a mechanism to coordinate and provide feedback of actions taken in response to complaints received from the Police Department.
- Coordinate with the Police Department to establish a mechanism to receive and act on code violations noted by Police personnel.
- Implement Code required revocations for violations.
- Pursue options to implement fines for Code violations, as required in the City Code.

### **RECOMMENDATIONS FOR POLICE MANAGEMENT**

- Continue improvement to the monitoring of tow trucks and their operators.
- Insure that only duly licensed and currently active tow truck companies are allowed to tow private vehicles.
- Implement a patrol awareness program for Code violations, similar to the theft awareness process.
- Implement an L&I notification process for those operators who are observed not in compliance with City Codes.

While there appears to be an abundance of legislation concerning towing operations, there appears to be a lack of effective enforcement. This lack of effective enforcement results in additional calls for service by the Police Department when confrontations occur between tow truck operators and the public. Some awareness on the part of Police personnel of Code requirements, and an effective communication mechanism to refer observed violations coupled with more effective enforcement by L&I personnel, including both revocations and fines, should result in less complaints, less confrontation and less requirements for police to intervene in disputes - enhancing both patrol operations and L&I's limited resources.

## **ATTACHMENT 1: FIELD SURVEY OF EIGHT TOW OPERATORS**

Listed below and in the pages that follow are pictures of private parking signs of the tow companies who comprise the top eight of all private tows conducted and reported to police during May, June and July 2008. These eight companies accounted for 84% of all tows conducted during the studied period. The individual company's percentage of the total tows during the studied period is also listed.

It should be noted that most signs are not in compliance with the City Code regulating signage and/or prices. The Code, section 9-605 (11), is as follows:

(a) No such tow is permitted unless the parking lot or private property has posted in a conspicuous place near its entry which can be easily seen by the public a sign no smaller than thirty-six (36) inches high and thirty-six (36) inches across which shall give notice:

- (.1) That unauthorized parking is prohibited and unauthorized vehicles will be towed.
- (.2) That vehicles whose authorized parking time has elapsed will be towed.
- (.3) Of the name, address, and telephone number of the towing company.
- (.4) Of the charges for the towing and storage of towed vehicles.
- (.5) Of the place where the towed vehicle can be redeemed after paying the allowable charges.

(b) No towing company may charge more than \$150 for towing a vehicle pursuant to this subsection. No towing company may charge more than \$25 per day for storage of a vehicle pursuant to this subsection, up to a maximum of \$175 in total storage charges. Neither the towing company, owner of the property from where the vehicle was towed nor any other person may charge the vehicle owner or operator any other charges, amounts or fees in connection with the towing and storage of the vehicle. The towing company or person storing such towed vehicle may not refuse to release the vehicle based on a claim to any charges in excess of the permitted amounts.

### **George Smith Towing, 19% of tows during a three month period.**



1300 block, Filbert Street  
Excessive towing fees and excessive storage fees.

**ATTACHMENT 1: FIELD SURVEY RESULTS**

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100 block, Front Street  
Excessive towing fees, complete phone number not listed.



100 block, N. 2<sup>nd</sup>  
Excessive towing fees

**ATTACHMENT 1: FIELD SURVEY RESULTS**

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500 block, Spring Garden St.  
Excessive towing fees

**Lew Blum Towing, 17% of tows during a three month period.**



200 block, Arch Street  
Excessive towing fees and "CASH ONLY".

**ATTACHMENT 1: FIELD SURVEY RESULTS**

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500 block, Bainbridge Street  
Excessive towing fees and “CASH ONLY”.

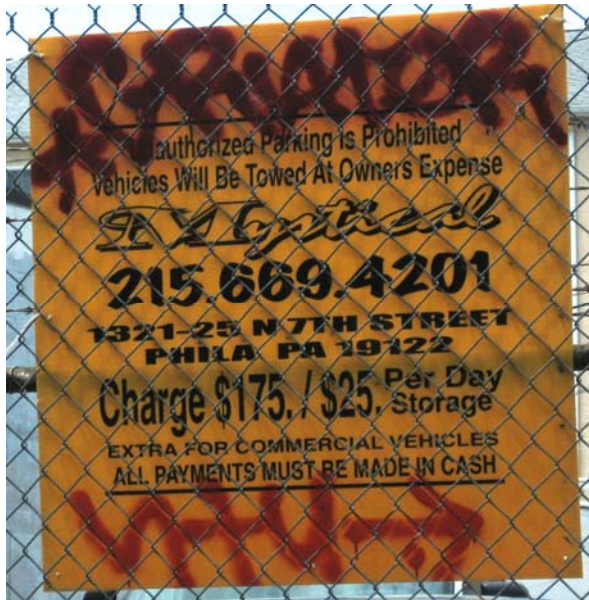


500 block, Bainbridge Street  
Excessive towing fees and “CASH ONLY”.

**Mystical Towing, 12% of tows during a three month period.**



1100 block, N. Front St.  
Excessive towing fees, “extra” fees and “CASH” payments.



1100 Block. N. Front St.  
Excessive towing fees, “extra” fees and “CASH” payments.



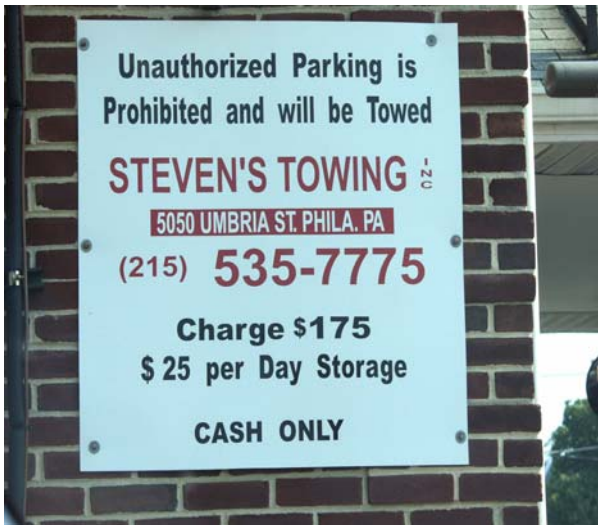
**ATTACHMENT 1: FIELD SURVEY RESULTS**

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100 block, W. Erie Ave  
"CASH" payments.

**A Steven's Towing, 11% of tows during a three month period.**



100 block, Girard Ave.  
Excessive towing fees and "CASH ONLY".

**ATTACHMENT 1: FIELD SURVEY RESULTS**

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3<sup>rd</sup> & Brown Streets.  
Excessive towing fees and “CASH ONLY” payments.



1900 block, N. Front St.  
Excessive towing fees.

**Manton Towing, 11% of tows during a three month period.**



Greene & Harvey Sts.  
Excessive towing fees, “CASH ONLY” and address listed is incorrect.



Haines St. & Stenton Ave.  
Excessive towing fees for all type vehicles, additional charges, “CASH” payments and no address listed as required.

**ATTACHMENT 1: FIELD SURVEY RESULTS**

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High & Belfield Ave.  
Excessive towing fees for all type vehicles, additional charges, "CASH" payments and no address listed as required.

**A Bob's Towing, 6% of tows during a three month period.**



66<sup>th</sup> Ave. & Broad St.  
Excessive towing fees and "CASH ONLY".

**ATTACHMENT 1: FIELD SURVEY RESULTS**

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3300 block, Aramingo Ave.  
"CASH ONLY" payments.

**Universal Towing, 5% of tows during a three month period.**



2300 block, Woodward St.  
Excessive towing fees, "additional" and "extra" fees, "CASH ONLY" and no Universal Towing sign. Sign posted was for a suspended company, Tow Decision, Inc.

**ATTACHMENT 1: FIELD SURVEY RESULTS**

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1100 block, Rodman St.  
Excessive towing fees, “additional” and “extra” fees, “CASH ONLY” and no Universal Towing sign. Sign posted was for a suspended company, Tow Decision, Inc.



12000 block, Academy Rd.  
“CASH ONLY” and no Universal Towing sign. Sign posted was for a suspended company, Tow Decision, Inc

**Todd's Towing, 4% of tows during a three month period.**



100 block, Leverington Ave.  
No address or place to pick up vehicles as required, "CASH ONLY" and no mention of authority to "boot" vehicles in City Codes.



3900 block, Manayunk Ave.  
No address or place to pick up vehicles as required, "CASH ONLY" and no mention of authority to "boot" vehicles in City Codes.

**ATTACHMENT 1: FIELD SURVEY RESULTS**

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8200 block, Henry Ave.

No address or place to pick up vehicles as required, "CASH ONLY" and no mention of authority to "boot" vehicles in City Codes.



**ATTACHMENT 2: FIELD SURVEY OF POLICE REPORTED “UNIVERSAL” TOW LOCATIONS**

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**Universal Towing Posted Signs**

Twenty locations were surveyed where police records indicated a private tow was conducted by **Universal Towing**. All locations had signage from **Tow Decision, Inc.**, a company which had been suspended by L&I prior to these dates.

125 N. 8<sup>th</sup> St. 5/20/08



145 E. Wildey St. 5/16/08



450 Byberry Rd. 5/10/08



**ATTACHMENT 2: FIELD SURVEY OF POLICE REPORTED "UNIVERSAL" TOW LOCATIONS**

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714 S. 13<sup>th</sup> St. 5/27/08



2301 Woodward St. 5/20/08



2399 Cottman Ave. 5/7/08



**ATTACHMENT 2: FIELD SURVEY OF POLICE REPORTED "UNIVERSAL" TOW LOCATIONS**

2634 Bridge St. 5/24/08



2811 N. Mascher St. 5/12/08



3134 Grant Ave. 6/20/08



**ATTACHMENT 2: FIELD SURVEY OF POLICE REPORTED "UNIVERSAL" TOW LOCATIONS**

<p>4200 Aramingo Ave. 5/22/08</p>	
<p>4200 Whitaker Ave. 5/18/08</p>	
<p>4500 Worth St. 5/19/08</p>	

**ATTACHMENT 2: FIELD SURVEY OF POLICE REPORTED "UNIVERSAL" TOW LOCATIONS**

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<p>4514 City Ave. 5/17/08</p>	
<p>4901 Penn Penn St. 5/12/08</p>	
<p>5000 City Ave. 5/18/08</p>	

**ATTACHMENT 2: FIELD SURVEY OF POLICE REPORTED "UNIVERSAL" TOW LOCATIONS**

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<p>10001 Bustleton Ave. 5/7/08</p>	 <p>A white rectangular sign with red and black text. The text reads: "PRIVATE PROPERTY ILLEGALLY PARKED VEHICLES WILL BE TOWED BY TOW DECISION, INC. 2114 E. HUNTINGDON ST. PHILADELPHIA, PA 19125 215-425-TOWS (8697) RATES: \$150 HOOK UP FEE FOR CARS ADDITIONAL FOR COMMERCIAL VEHICLES EXTRA CHARGE FOR EQUIPMENT \$25.00 PER DAY STORAGE CASH ONLY". The sign is mounted on a dark post against a light-colored wall.</p>
<p>12000 Roosevelt Blvd. 5/19/08</p>	 <p>A white rectangular sign with red and black text. The text reads: "PRIVATE PROPERTY ILLEGALLY PARKED VEHICLES WILL BE TOWED BY TOW DECISION, LLC. 2114 E. HUNTINGDON ST. PHILADELPHIA, PA 19125 215-425-TOWS (8697) RATES: \$150 HOOK UP FEE FOR CARS ADDITIONAL FOR COMMERCIAL VEHICLES EXTRA CHARGE FOR EQUIPMENT \$25.00 PER DAY STORAGE CASH ONLY". The sign is mounted on a textured wall.</p>
<p>12135 Academy Ave. 5/18/08</p>	 <p>A white rectangular sign with red and black text. The text reads: "PRIVATE PROPERTY ILLEGALLY PARKED VEHICLES WILL BE TOWED TOW DECISION, INC. 2110 E. HUNTINGDON ST. PHILADELPHIA, PA 19125 215-425-TOWS (8697) RATES: \$150.00 HOOK UP FEE FOR CARS \$25.00 PER DAY STORAGE CASH ONLY PICK UP BY APPOINTMENT ONLY!". The sign is mounted on a brick wall. To the left, a portion of another sign is visible with the letters "T" and "G".</p>

**ATTACHMENT 2: FIELD SURVEY OF POLICE REPORTED "UNIVERSAL" TOW LOCATIONS**

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<p>13252 Academy Ave. 6/21/08</p>	
<p>13450 Philmont Ave. 5/17/08</p>	

**DEPARTMENT RESPONSES**



**CITY OF PHILADELPHIA**

HEADQUARTERS, FRANKLIN SQUARE  
PHILADELPHIA, PA 19106

CHARLES H. RAMSEY  
Commissioner

July 30, 2009

Mr. Alan Butkovitz  
Office of the Controller  
1401 John F. Kennedy Boulevard  
Philadelphia PA 19102

Dear Mr. Butkovitz:

On July 9, 2009, my office received correspondence from Mr. Alan Butkovitz, City Controller. Attached to this correspondence was a draft document entitled "Assessment of Tow Truck Operators" and a request for a meeting to discuss the document and its findings. I delegated this responsibility to Deputy Commissioner Patricia Giorgio Fox who attended the discussion meeting on July 17, 2009. At the conclusion of the meeting, the Deputy Commissioner was asked to provide a written response to the document. This serves as our response to the material.

The Philadelphia Police Department agrees with the substantive material contained in this assessment. Tow truck operations, and specifically, involuntary towing procedures have long been issues dealt with by our officers. Complaints of stolen vehicles, unauthorized towing, and overpriced fees come to our attention on a regular basis. While the Police Department takes all complaints seriously, the vast majority of the discontent lies in the business compliance area – not the criminal arena.

As a result of the Controller's review, four (4) recommendations have been made in reference to Police Department procedures. We have, in some fashion, all four recommendations in place currently and will review each to ensure their ongoing compliance.

1. Continuous improvements and monitoring of tow trucks and their operators.
2. Insure that only duly licensed and current tow truck companies are allowed to tow private vehicles.

These two recommendations appear to be corollaries and, as such, I've combined our thoughts on these.

Both recommendations have been a priority for many years, enforced not only through our patrol officers but through our Truck Enforcement Unit as well.



**DEPARTMENT RESPONSES**



**CITY OF PHILADELPHIA**

POLICE DEPARTMENT  
HEADQUARTERS, FRANKLIN SQUARE  
PHILADELPHIA, PA 19106

CHARLES H. RAMSEY  
Commissioner

We will continue our annual check of these trucks (though our Truck Enforcement Unit) and, in fact, have recently begun to check the requirements that Licenses and Inspections previously reviewed so as to free their time for other pursuits. Our patrol officers are regularly reminded to stop and investigate any tow truck that doesn't meet the legal standard as clearly stated in our Departmental directive.

3. Implement a police awareness program for code violations, similar to the theft awareness process.
4. Implement a Licenses and Inspections notification process for those operators who are observed not in compliance with City Codes.

Again, as with recommendations #1 and #2, these also seem intertwined. We believe our Departmental directive clearly states the standards and limits for tow truck operations. We welcome an opportunity to review this directive to ensure that any changes to the law since the issuance of the Directive have been included. In a similar vein, we currently provide Licenses and Inspections a copy of all paperwork indicating that a tow truck did not meet standard, or in some way, violated the current City Codes. We are, however, willing to meet with Licenses and Inspections to determine if, in fact, there is a more effective or efficient way to forward this information and will make all possible alterations to satisfy that outcome.

Please let me add at this point that any comprehensive assessment of tow truck operators in Philadelphia must also address the growing problem that is currently facing the general public and the Police Department, which was not mentioned in your report. Specifically, the improper and illegal use of the towing ordinance to tow lawfully parked cars from private property by unscrupulous tow operators.

Obviously, illegally parking a vehicle on posted, private property is an offense and the owners should be held accountable for any towing and storage fees that may be incurred. But what happens to the owner of a vehicle who legally parked on private property for legitimate business and his or her car is still towed? What happens to the owner of a vehicle who legally parks on private property that is not posted by the owner, but after the business has closed, a temporary sign is posted by a tow operator who then takes the vehicle? What happens to the owner of a disabled vehicle who legally parks his or her vehicle temporarily on private property, but is nevertheless towed and forced to pay both towing and storage fees?



CITY OF PHILADELPHIA

POLICE DEPARTMENT  
HEADQUARTERS, FRANKLIN SQUARE  
PHILADELPHIA, PA 19106

CHARLES H. RAMSEY  
Commissioner

What recourse or remedies do these aggrieved vehicle owners have? Without a ticket being placed on the vehicle by a law enforcement officer, absolutely none! They are left to the mercy of the tow operators to pay the towing and storage fees in cash. There is no judge or jury, just the penalty.

It's important to note that under both the City and State Codes, towing vehicles from private property is a remedy to address illegally parked vehicles. Parking illegally is absolutely an offense that should be addressed. However, in Philadelphia, the only person who determines if a vehicle is, in fact, parked illegally on private property is the towing companies that stand to make a profit from towing the vehicle. Currently, no ticket is required to be placed on an illegally parked vehicle by a law enforcement officer prior to the vehicle being towed from private property. Accordingly, these vehicle owners have no ability to exercise their right to appeal this decision to a court as they would for every other traffic code violation. In essence, these vehicle owners are being forced to pay a fine without any opportunity to prove their case in court. They either pay the cost or lose their vehicles. This has led to the victimization of thousands of vehicle owners every year and it must stop. A simple amendment to the City Code requiring a ticket on any illegally parked vehicle by a law enforcement officer prior to any towing would solve this problem immediately.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles H. Ramsey".

Charles H. Ramsey  
Police Commissioner  
Philadelphia Police Department

**DEPARTMENT RESPONSES**

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**CITY OF PHILADELPHIA**

DEPARTMENT OF LICENSES & INSPECTIONS  
Municipal Services Building - 11th Floor  
Philadelphia, PA 19102-1687  
(215) 686-2400

FRAN BURNS  
Commissioner

August 7, 2009

Mr. Alan Butkovitz  
Office of the Controller  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102

Dear Mr. Butkovitz:

The following is the Department of Licenses and Inspections (L&I) response to the document entitled, "Assessment of Tow Truck Operators." I hope that readers of the document will in fact take away the intent of the report which is to call upon tow operators to act within and according to the confines of the law.

While the report occurred under a previous administration, it is important to nonetheless provide a response.

The report states that there were 2,153 private tows from May 2008 through July 2008 with 44 complaints against tow operators. That means only two percent (2%) of customers complained. The 44 complaints were across 33 companies and 7 or twenty-two percent (22%) of those companies were suspended by L&I.

As point of clarification, the City can regulate nonconsensual tows, but not consensual tows. While L&I is responsible for regulating the tow companies signs, consumer complaints are referred and under the jurisdiction of State Attorney General's Office. L&I has worked closely with the Attorney General's Consumer Affairs Division in this and other instances of fraud. These efforts are alluded to in the report.

## **DEPARTMENT RESPONSES**

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### **KEY FINDINGS**

#### **IMPROVED INSPECTION PROCEDURES IN IDENTIFYING AND CORRECTING HISTORICAL TOW TRUCK PROBLEMS**

L&I has worked closely with the Police Department in the inspection of tow trucks. In the future, the Police Department will handle tow truck inspections. Police and L&I worked together prior to the release or knowledge of this report to coordinate tow truck inspections and eliminate the two department redundancy.

#### **TOW TRUCK OPERATORS USE MULTIPLE BUSINESS ENTITIES TO CIRCUMVENT REGULATORY EFFORTS.**

The report refers to two separate tow companies that appear reopened as another company. In both instances L&I has done its due diligence in the actions taken. These companies have been suspended and L&I has one of the companies in Federal Court. Further comment is not appropriate given the court proceeding.

#### **TRACKING AND ENFORCEMENT NEEDS ADDITIONAL IMPROVEMENT**

In the year since this report was done, the ability to track a company has been enhanced and is continually improving. Company violations can be tracked which will lead to progressive enforcement of that company. Complaints can be tracked by complainant and defendant. Extensive research is relative depending on the information requested.

#### **IMPROVED COORDINATION BETWEEN POLICE AND L&I DEPARTMENTS COULD ENHANCE REGULATION, ENFORCEMENT AND POLICE OPERATIONS**

Several meetings were held and the goal is to streamline the process between the Departments and to reduce the amount of paper in the current process.

As mentioned above, it is clear that we should eliminate both Departments doing the truck inspections. The Police Department does a more thorough inspection and will handle the truck inspections. Since the Police personnel are trained in the review of insurance policies and the tow agreements they will also review these documents for compliance.

L&I will collect data, fees, provide posters and proactively check signage throughout the City of Philadelphia.

**DEPARTMENT RESPONSES**

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**CURRENT CITY CODES WERE NOT FULLY ENFORCED**

The report gives the indication that L&I has the ability to levy fines on tow truck companies. L&I writes notice of violations and sends the violator to court if violations are not complied over time. It is up to the Court to levy the fine. L&I can suggest fines but it is up to the Court to impose the fine.

Consumer complaints are a civil matter and the government body responsible for that is the State Attorney General's Office. It is not the best interest of all of city taxpayers to fund private civil matters.

**CORRECTIVE ACTIONS REQUIRED BY L&I MANAGEMENT**

In summary, in the year since this report was done, the ability to track a company has been enhanced and is continually improving. Company violations can be tracked which will lead to progressive enforcement of that company. Complaints can be tracked by complainant and defendant. Extensive research is relative depending on the information requested. Currently L&I can track all Police complaints.

L&I will proactively enforce the signage and create a ticket as an enforcement tool. Again, fines are implemented by the courts not L&I.

L&I has, and will continue to have hearings and take the appropriate actions for complaints involving nonconsensual tows.

I hope this information proves helpful to the discourse.

Sincerely,



Fran Burns  
Commissioner