

**Community Development Commission**

November 3, 2006

To: Each Supervisor

From: *for* Carlos Jackson, Executive Director *Bobette A. Glover*

**SUBJECT: TRAFFIC VIOLATOR SCHOOL MONITORING INFORMATION  
REQUEST FROM FOX 11 NEWS**

On October 18, 2006, Fox 11 News reporter John Schwada contacted the Traffic Violator School Monitoring Program (TVSM) to request information pertaining to two traffic violator schools— Tactic Traffic School and No Pain Traffic School – which he is currently investigating for suspected fraud.

Tactic Traffic School has been off of the TVSM program since July 2003, and thus, has been removed from the approved traffic violator school listing for the County. No Pain Traffic School located in Encino, is currently under investigation by the Los Angeles County Sheriff Department's Fraud Unit.

The Sheriff's Fraud Unit has expressed their concern regarding this information request, advising TVSM that giving out information on an on-going investigation to an outside party may compromise the investigation. However, we have been advised by County Counsel that we are obligated under the California Public Records Act to provide Mr. Schwada with certain public information.

**Background**

In May 2003, CBS 2 News aired a report by CBS reporter David Goldstein on traffic school fraud, in which three traffic schools in the County were found to have illegally sold traffic school completion certificates. Subsequently, Supervisor Antonovich introduced a motion initiating a pilot program whereby the Sheriff Department's Fraud Unit would conduct undercover investigations on cases forwarded by TVSM. Over the past three years, the joint efforts of TVSM and the Sheriff's Fraud Unit have been successful in closing schools and convicting individuals engaged in traffic school fraud.

**No Pain Traffic School**

For your reference, the following timeline lists TVSM's significant monitoring activities regarding No Pain Traffic School, leading up to its current investigation by the Sheriff's Fraud Unit.

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December 30, 2004 – TVSM Inspector conducted an unannounced business audit at No Pain Traffic School. During the audit, the school was cited for two code violations: (1) for being closed during business hours, and (2) allowing more than the maximum capacity of 15 students for a number of classes. These two violations were then addressed in a January 15, 2005 letter from TVSM to No Pain Traffic School. This letter requested that the school respond to TVSM in writing with a Corrective Action Plan, detailing the school's plan to correct the violations. On January 21, 2005, No Pain Traffic School submitted a satisfactory Corrective Action Plan.

March 15, 2006 – TVSM Inspectors conducted a scheduled business audit. Although no violations were found, an analysis of business records revealed questionable recordkeeping practices and a questionable high volume of students and certificates issued by the school. These findings prompted suspicion that the school may be engaged in the illegal sale of traffic school completion certificates. However, these findings in and of themselves did not present any code violations; therefore, the school was compliant and was issued a commendation letter, as is standard practice when an audit reveals no code violations.

April 4, 2006 – TVSM staff met with the Sheriff's Fraud Unit to present information regarding No Pain Traffic School and communicate their concerns that the school may be engaged in traffic school fraud. They also conveyed their suspicion that the listed owner of No Pain Traffic School, may not be the executive head of the business. TVSM staff were advised to monitor No Pain Traffic School as they normally would, while the Sheriff's conduct their investigation. The Sheriff's investigation is currently in progress.

October 19, 2006

Based on information shared by Mr. Schwada that No Pain Traffic School has closed, TVSM staff tried to contact the school by telephone. The recorded message stated that no classes are being offered at this time. The school also failed to submit its quarterly report on classes held and attendance, which was due on October 31<sup>st</sup>.

If you have any questions or concerns regarding this matter, please contact me or have your staff contact Frank Medina, Program Director of TVSM, at (323) 890-7450.

CJ:FFM:jp

c: Each Deputy  
Anna Pembedjian, Deputy  
Gregory Blair, Acting Senior Administrator, Superior Court of California  
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