# BEFORE THE DIRECTOR DEPARTMENT OF CONSUMER AFFAIRS BUREAU OF AUTOMOTIVE REPAIR STATE OF CALIFORNIA

In the Matter of the First Amended Accusation Against:

JUAN M. GALLARDO, OWNER, DBA D C SMOG CHECK

491 Wildrose Ave. #M Colton, CA 92324 Automotive Repair Dealer Registration No. ARD 276708 Smog Check Station License No. TC 276708

and

ANGEL FELIPE SANCHEZ ORTEGA

979 N. Elmwood Ave. Rialto, CA 92376 Smog Check Inspector License No. EO 636276

Respondents.

Case No. 79/16-118

OAH No. 2016060304

#### **DECISION**

The attached Stipulated Revocation of License and Order is hereby accepted and adopted as the Decision of the Director of the Department of Consumer Affairs in the above-entitled matter.

This Decision shall become effective February 6, 2018

DATED:

GRACE

GRACE ARUPO RODRIGUEZ

Assistant Deputy Director Legal Affairs Division

Department of Consumer Affairs

1		
1	XAVIER BECERRA	
2	Attorney General of California  MARC D. GREENBAUM	
3	Supervising Deputy Attorney General MICHAEL BROWN	
4	Deputy Attorney General	
	State Bar No. 231237 300 So. Spring Street, Suite 1702	
5	Los Angeles, CA 90013 Telephone: (213) 269-6308	
6	Facsimile: (213) 897-2804 Attorneys for Complainant	
7		
8	DEPARTMENT OF C	RE THE CONSUMER AFFAIRS
9		AUTOMOTIVE REPAIR CALIFORNIA
10		
11	In the Matter of the First Amended Accusation	G . N. 50/16 440
Į	Against:	Case No. 79/16-118
12	JUAN M. GALLARDO, OWNER, DBA	OAH No. 2016060304
13	D C SMOG CHECK 491 Wildrose Ave. #M	STIPULATED REVOCATION OF LICENSE AND ORDER
14	Colton, CA 92324 Automotive Repair Dealer Registration No.	STOLING PARTY OF THE PARTY OF T
15	ARD 276708	
16	Smog Check Station License No. TC 276708	
17	and	
18	ANGEL FELIPE SANCHEZ ORTEGA 979 N. Elmwood Ave.	
19	Rialto, CA 92376	
l	Smog Check Inspector License No. EO 636276	
20	Respondents.	
21		
22	IT IS HEREBY STIPULATED AND AGI	REED by and between the parties to the above-
23	entitled proceedings that the following matters a	re true:
24	PAR	RTIES .
25	1. Patrick Dorais ("Complainant") is th	e Chief of the Bureau of Automotive Repair
26	· ·	official capacity and is represented in this matter
27	by Xavier Becerra, Attorney General of the State	
28	Attorney General.	, , , , , , , , , , , , , , , , , , ,
	,	

4.

8

6

10 11

12

13 14

15

16 17

18

19

20 21

22

23

24

25 26

27

28

First Amended Accusation. A copy of First Amended Accusation No. 79/16-118 is attached as Exhibit A and incorporated by reference.

### ADVISEMENT AND WAIVERS

- 8. Respondents Smog Check and Ortega have carefully read, and understand the charges and allegation in First Amended Accusation No. 79/16-118. Respondents Smog Check and Ortega also have carefully read, and understand the effects of this Stipulated Revocation of License and Order.
- 9. Respondents Smog Check and Ortega are fully aware of their legal rights in this matter, including the right to be represented by counsel, at their own expense; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on their own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.
- Respondents Smog Check and Ortega voluntarily, knowingly, and intelligently waive and give up each and every right set forth above.

#### **CULPABILITY**

- Respondents Smog Check and Ortega admits the truth of each and every charge and allegation in First Amended Accusation No No. 79/16-118.
- 12. Respondents Smog Check and Ortega agree that its Automotive Repair Dealer Registration No. ARD 276708, Smog Check, Test Only, Station License No. TC 276708 and Smog Check Inspector License Number EO 636276 are subject to discipline and they agree to be bound by the Director of Consumer Affairs imposition of discipline as set forth in the Disciplinary Order below.

#### CONTINGENCY

This stipulation shall be subject to approval by the Director or the Director's designee. Respondents Smog Check and Ortega understand and agree that counsel for Complainant and the staff of the Bureau of Automotive Repair may communicate directly with the Director and staff

///

regarding this stipulation and revocation, without notice to or participation by Respondents Smog Check and Ortega. By signing the stipulation, Respondents Smog Check and Ortega understand and agree that they may not withdraw their agreement or seek to rescind the stipulation prior to the time the Director considers and acts upon it. If the Director fails to adopt this stipulation as the Decision and Order, the Stipulated Revocation of License and Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Director shall not be disqualified from further action by having considered this matter.

- 14. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Revocation of License and Order, including Portable Document Format (PDF) and facsimile signatures thereto, shall have the same force and effect as the originals.
- 15. This Stipulated Revocation of License and Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Revocation of License and Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.
- 16. In consideration of the foregoing admissions and stipulations, the parties agree that the Director may, without further notice or formal proceeding, issue and enter the following Order:

#### **ORDER**

IT IS HEREBY ORDERED that Automotive Repair Dealer Registration No. ARD 276708, and Smog Check, Test Only, Station License No. TC 276708 issued to Respondent Juan M. Gallardo, Owner, doing business as D C Smog Check are revoked and accepted by the Director of Consumer Affairs.

IT IS HEREBY ORDERED that Smog Check Inspector License Number EO 636276 issued to Respondent Angel Felipe Sanchez Ortega is revoked and accepted by the Director of Consumer Affairs.

III

27

### Exhibit A

First Amended Accusation No. 79/16-118

1	XAVIER BECERRA	
2	Attorney General of California  MARC D. GREENBAUM	
3	Supervising Deputy Attorney General MICHAEL BROWN	
4	Deputy Attorney General State Bar No. 231237	
5	300 So. Spring Street, Suite 1702	
,	Los Angeles, CA 90013 Telephone: (213) 897-2095	
6	Facsimile: (213) 897-2804 E-mail: MichaelB.Brown@doj.ca.gov	
7	Attorneys for Complainant	
8	DEPARTMENT OF C	RE THE CONSUMER AFFAIRS
9	FOR THE BUREAU OF	AUTOMOTIVE REPAIR CALIFORNIA
10	SIRIE OF C	ALIFORNIA .
11	Y d 3 F	
12	In the Matter of the First Amended Accusation Against:	Case No. 79/16-118
13	JUAN M. GALLARDO, OWNER, DBA D C SMOG CHECK	
14	491 Wildrose Ave, #M	FIRST AMENDED ACCUSATION
15	Colton, CA 92324 Automotive Repair Dealer Registration No.	
16	ARD 276708 Smog Check Station License No. TC 276708	
17	and	
18	ANGEL FELIPE SANCHEZ ORTEGA	
19	979 N. Elmwood Ave. Rialto, CA 92376	
20	Smog Check Inspector License No. EO 636276	
21	Respondents,	
22		
23	Complainant alleges:	
24	PAR	TIES
25	l. Patrick Dorais (Complainant) brings	this First Amended Accusation solely in his
26	official capacity as the Chief of the Bureau of A	
27	Consumer Affairs,	· · · · · · · · · · · · · · · · · · ·
28	111	

5

9

10

11

12

13

14

15.

16

17

18

19

20

21

22

23

24

25

26

### Juan M. Gallardo, Owner, dba D.C Smog Check

### Automotive Repair Dealer Registration

2. On or about May 27, 2014, the Bureau issued Automobile Repair Dealer Registration Number ARD 276708 to Juan M. Gallardo, Owner, doing business as D C Smog Check, (Respondent Smog Check). The Automobile Repair Dealer Registration was in full force and effect at all times relevant to the charges brought herein and will expire on May 31, 2018, unless renewed.

### Smog Check, Test Only, Station License

3. On or about June 1, 2014, the Bureau issued Smog Check, Test Only, Station License No. TC 276708 to Respondent Smog Check. The Smog Check, Test Only, Station License was in full force and effect at all times relevant to the charges brought herein and will expire on May 31, 2018, unless renewed.

#### STAR Station Certification

4. On or about July 24, 2014, the Bureau certified D C Smog Check as a STAR Station. The certification will remain active unless ARD 276708 and/or TC 276708 is revoked, canceled, become delinquent, or the certification is invalidated.

### Angel Felipe Sanchez Ortega

### Smog Check Inspector License

5. On or about November 22, 2013, the Bureau issued Smog Check Inspector License Number EO 636276 ("inspector license") to Angel Felipe Sanchez Ortega ("Respondent Ortega"). The Smog Check Inspector License was in full force and effect at all times relevant to the charges brought herein and will expire on August 31, 2017, unless renewed.

### **JURISDICTION**

- 6. Business and Professions Code ("Code") section 9884.7 provides that the Director may revoke an automotive repair dealer registration.
- 7. Section 9884.13 of the Code provides, in pertinent part, that the expiration of a valid registration shall not deprive the director or chief of jurisdiction to proceed with a disciplinary

proceeding against an automotive repair dealer or to render a decision invalidating a registration temporarily or permanently.

- 8. Health and Safety Code section 44002 provides, in pertinent part, that the Director has all the powers and authority granted under the Automotive Repair Act for enforcing the Motor Vehicle Inspection Program.
- 9. Section 44072.6 of the Health and Safety Code provides, in pertinent part, that the expiration or suspension of a license by operation of law, or by order or decision of the Director of Consumer Affairs, or a court of law, or the voluntary surrender of the license shall not deprive the Director of jurisdiction to proceed with disciplinary action.

### STATUTORY PROVISIONS

- 10. Section 9884.7 of the Code states:
- "(a) The director, where the automotive repair dealer cannot show there was a bona fide error, may deny, suspend, revoke, or place on probation the registration of an automotive repair dealer for any of the following acts or omissions related to the conduct of the business of the automotive repair dealer, which are done by the automotive repair dealer or any automotive technician, employee, partner, officer, or member of the automotive repair dealer.
- "(1) Making or authorizing in any manner or by any means whatever any statement written or oral which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.
  - "(4) Any other conduct which constitutes fraud.
- "(c) Notwithstanding subdivision (b), the director may suspend, revoke, or place on probation the registration for all places of business operated in this state by an automotive repair dealer upon a finding that the automotive repair dealer has, or is, engaged in a course of repeated and willful violations of this chapter, or regulations adopted pursuant to it."

28 ///

22.

25<sup>°</sup>

### 11. Section 44012 of the Health and Safety Code states:

"The test at the smog check stations shall be performed in accordance with procedures prescribed by the department and may require loaded mode dynamometer testing in enhanced areas, two-speed idle testing, testing utilizing a vehicle's onboard diagnostic system, or other appropriate test procedures as determined by the department in consultation with the state board. The department shall implement testing using onboard diagnostic systems, in lieu of loaded mode dynamometer or two-speed idle testing, on model year 2000 and newer vehicles only, beginning no earlier than January 1, 2013. However, the department, in consultation with the state board, may prescribe alternative test procedures that include loaded mode dynamometer or two-speed idle testing for vehicles with onboard diagnostic systems that the department and the state board determine exhibit operational problems. The department shall ensure, as appropriate to the test method, the following:

- "(a) Emission control systems required by state and federal law are reducing excess emissions in accordance with the standards adopted pursuant to subdivisions (a) and (c) of Section 44013.
- "(b) Motor vehicles are preconditioned to ensure representative and stabilized operation of the vehicle's emission control system.
- "(c) For other than diesel-powered vehicles, the vehicle's exhaust emissions of hydrocarbons, carbon monoxide, carbon dioxide, and oxides of nitrogen in an idle mode or loaded mode are tested in accordance with procedures prescribed by the department. In determining how loaded mode and evaporative emissions testing shall be conducted, the department shall ensure that the emission reduction targets for the enhanced program are met.
- "(d) For other than diesel-powered vehicles, the vehicle's fuel evaporative system and crankcase ventilation system are tested to reduce any nonexhaust sources of volatile organic compound emissions, in accordance with procedures prescribed by the department.
- "(e) For diesel-powered vehicles, a visual inspection is made of emission control devices and the vehicle's exhaust emissions are tested in accordance with procedures prescribed by the department, that may include, but are not limited to, onboard diagnostic testing. The test may

include testing of emissions of any or all of the pollutants specified in subdivision (c) and, upon the adoption of applicable standards, measurement of emissions of smoke or particulates, or both.

- "(f) A visual or functional check is made of emission control devices specified by the department, including the catalytic converter in those instances in which the department determines it to be necessary to meet the findings of Section 44001. The visual or functional check shall be performed in accordance with procedures prescribed by the department.
- "(g) A determination as to whether the motor vehicle complies with the emission standards for that vehicle's class and model-year as prescribed by the department.
- "(h) An analysis of pass and fail rates of vehicles subject to an onboard diagnostic test and a tailpipe test to assess whether any vehicles passing their onboard diagnostic test have, or would have, failed a tailpipe test, and whether any vehicles failing their onboard diagnostic test have or would have passed a tailpipe test.
- "(i) The test procedures may authorize smog check stations to refuse the testing of a vehicle that would be unsafe to test, or that cannot physically be inspected, as specified by the department by regulation. The refusal to test a vehicle for those reasons shall not excuse or exempt the vehicle from compliance with all applicable requirements of this chapter."
  - 12. Section 44015 of the Health and Safety Code states:
- "(b) If a vehicle meets the requirements of Section 44012, a smog check station licensed to issue certificates shall issue a certificate of compliance or a certificate of noncompliance."
  - 13. Section 44059 of the Health and Safety Code states:

"The willful making of any false statement or entry with regard to a material matter in any oath, affidavit, certificate of compliance or noncompliance, or application form which is required by this chapter or Chapter 20.3 (commencing with Section 9880) of Division 3 of the Business and Professions Code, constitutes perjury and is punishable as provided in the Penal Code."

14. Section 44072.2 of the Health and Safety Code states:

"The director may suspend, revoke, or take other disciplinary action against a license as provided in this article if the licensee, or any partner, officer, or director thereof, does any of the following:

- "(a) Violates any section of this chapter [the Motor Vehicle Inspection Program (Health and Safety Code, section 44000, et seq.)] and the regulations adopted pursuant to it, which related to the licensed activities.
  - "(c) Violates any of the regulations adopted by the director pursuant to this chapter,
  - "(d) Commits any act involving dishonesty, fraud, or deceit whereby another is injured."
  - 15. Section 44072.8 of the Health and Safety Code states:

"When a license has been revoked or suspended following a hearing under this article, any additional license issued under this chapter in the name of the licensee may be likewise revoked or suspended by the director."

### REGULATORY PROVISIONS

- 16. California Code of Regulations, title 16, section 3340.24, subdivision (c) states:
- "(c) The bureau may suspend or revoke the license of or pursue other legal action against a licensee, if the licensee falsely or fraudulently issues or obtains a certificate of compliance or a certificate of noncompliance."
  - 17. California Code of Regulations, title 16, section 3340.30, subdivision (a) states:
- "A licensed smog check inspector and/or repair technician shall comply with the following requirements at all times while licensed:
- "(a) Inspect, test and repair vehicles, as applicable, in accordance with section 44012 of the Health and Safety Code, section 44035 of the Health and Safety Code, and section 3340.42 of this article."

27 1/1

"A licensed station shall issue a certificate of compliance or noncompliance to the owner or

operator of any vehicle that has been inspected in accordance with the procedures specified in section 3340.42 of this article and has all the required emission control equipment and devices installed and functioning correctly."

California Code of Regulations, title 16, section 3340.35, subdivision (c) states:

19. California Code of Regulations, title 16, section 3340.42, states:

"Smog check inspection methods are prescribed in the Smog Check Manual, referenced by section 3340.45.

"(a) All vehicles subject to a smog check inspection, shall receive one of the following test methods:

"(1) A loaded-mode test shall be the test method used to inspect 1976 - 1999 model-year vehicle, except diesel-powered, registered in the enhanced program areas of the state. The loaded-mode test shall measure hydrocarbon, carbon monoxide, carbon dioxide and oxides of nitrogen emissions, as contained in the bureau's specifications referenced in subsection (a) of Section 3340.17 of this article. The loaded-mode test shall use Acceleration Simulation Mode (ASM) test equipment, including a chassis dynamometer, certified by the bureau.

"On and after March 31, 2010, exhaust emissions from a vehicle subject to this inspection shall be measured and compared to the emissions standards shown in the Vehicle Look-up Table (VLT) Row Specific Emissions Standards (Cutpoints) Table, dated March 2010, which is hereby incorporated by reference. If the emissions standards for a specific vehicle are not included in this table then the exhaust emissions shall be compared to the emissions standards set forth in TABLE I or TABLE II, as applicable. A vehicle passes the loaded-mode test if all of its measured emissions are less than or equal to the applicable emission standards specified in the applicable table.

"(2) A two-speed idle mode test shall be the test method used to inspect 1976 - 1999 modelyear vehicles, except diesel-powered, registered in all program areas of the state, except in those areas of the state where the enhanced program has been implemented. The two-speed idle mode test shall measure hydrocarbon, carbon monoxide and carbon dioxide emissions at high RPM and

again at idle RPM, as contained in the bureau's specifications referenced in subsection (a) of Section 3340.17 of this article. Exhaust emissions from a vehicle subject to this inspection shall be measured and compared to the emission standards set forth in this section and as shown in TABLE III. A vehicle passes the two-speed idle mode test if all of its measured emissions are less than or equal to the applicable emissions standards specified in Table III.

- "(3) An OBD-focused test, shall be the test method used to inspect gasoline-powered vehicles 2000 model-year and newer, and diesel-powered vehicles 1998 model-year and newer. The OBD test failure criteria are specified in section 3340.42.2.
- "(b) In addition to subsection (a), all vehicles subject to the smog check program shall receive the following:
- "(1) A visual inspection of emission control components and systems to verify the vehicle's emission control systems are properly installed.
- "(2) A functional inspection of emission control systems as specified in the Smog Check Manual, referenced by section 3340.45, which may include an OBD test, to verify their proper operation.
- "(c) The bureau may require any combination of the inspection methods in sections (a) and (b) under any of the following circumstances:
- "(1) Vehicles that the department randomly selects pursuant to Health and Safety Code section 44014.7 as a means of identifying potential operational problems with vehicle OBD systems.
- "(2) Vehicles identified by the bureau as being operationally or physically incompatible with inspection equipment.
  - "(3) Vehicles with OBD systems that have demonstrated operational problems.
- "(d) Pursuant to section 39032.5 of the Health and Safety Code, gross polluter standards are as follows:
- "(1) A gross polluter means a vehicle with excess hydrocarbon, carbon monoxide, or oxides of nitrogen emissions pursuant to the gross polluter emissions standards included in the tables described in subsection (a), as applicable.

"(2) Vehicles with emission levels exceeding the emission standards for gross polluters during an initial inspection will be considered gross polluters and the provisions pertaining to gross polluting vehicles will apply, including, but not limited to, sections 44014.5, 44015, and 44081 of the Health and Safety Code.

- "(3) A gross polluting vehicle shall not be passed or issued a certificate of compliance until the vehicle's emissions are reduced to or below the applicable emissions standards for the vehicle included in the tables described in subsection (a), as applicable. However, the provisions described in section 44017 of the Health and Safety Code may apply.
- "(4) This subsection applies in all program areas statewide to vehicles requiring inspection pursuant to sections 44005 and 44011 of the Health and Safety Code."

### COST RECOVERY

20. Section 125.3 of the Code provides, in pertinent part, that the Board may request the administrative law judge to direct a licentiate found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case, with failure of the licentiate to comply subjecting the license to not being renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be included in a stipulated settlement.

### FACTUAL BACKGROUND

21. On or about June 8, 2015, a Bureau Representative conducted an investigation in which he reviewed On-board Diagnostic Inspection System (OIS) test data for Respondent Smog Check. The test data revealed anomalies consistent with fraudulent Smog Check activities. A further in depth analysis of OIS test data revealed that there were a total of thirteen (13) vehicles of various years, make and models that were issued 13 fraudulent Certificates of Compliance. The OIS test data from these thirteen (13) vehicles were compared to the OIS test data of similar vehicles of the same year, make and model that received passing Smog Check inspections and received smog certificates. The data comparison showed multiple discrepancies with thirteen (13) vehicles that were all certified with the e-VIN missing, incorrect vehicle communication

7

25

26

27

28

protocols and incorrect Parameter Identification (PID) count, which confirms the vehicles receiving smog certificates were fraudulently tested during the smog inspection using the clean plugging method<sup>2</sup>. The discrepancies in the OIS Test Detail showed that the OIS Data Acquisition Device (DAD) was not connected to the thirteen (13) vehicles. Table 1 illustrates the clean plugging activities at Respondent Smog Check between April 6, 2015, through October 28, 2015. All of the following inspections were performed by Respondent Ortega.

TABLE 1

8	Test No.	Test Date and Time*	Vehicle Certified & License No. and VIN No.	Certificate No.	Technician License No.	OIS Test Data Details
10	1,	4/06/2015 1842-1846 hours	2006 Honda S2000 7HFC015	PQ365982C	EO636276 (Respondent Ortega)	Comm. Protocol: JVPW1850 (expected ICAN29bt5)
13						PID Count: 21 (expected 36)
14					,	e-VIN-Missing
15	2.	04/07/2015	2005 Ford Explorer	PQ365987C	EO636276	Comm. Protocol:
16		1912-1917	Eddie Bauer		(Respondent Ortega)	JVPW1850 (expected
17		hours	6ZQX539		- ,	ICAN116t5)
18						PID Count: 21 (expected 47)
19   20						e-VIN-Missing
21	3.	04/14/2015	2007 Dodge Ram 3500	PQ788256C	EO636276	Comm. Protocol:
22		1846-1852 hours	ST/SLT 94426R1		(Respondent Ortega)	JVPW1850 (expected
23		ELGALG				,ICAN11bt5)
24						PID Count: 21 (expected 34)

<sup>1</sup> Protocol is simply the language used to communicate with a vehicle's computer(s). Protocol is a communication interface. This automated determination of the communication interface, or protocol, is built into the Data Acquisition Device (DAD) unit. This automatic function identifies five (5) protocols used by vehicles manufactured and sold in the United States that are subject to the Smog Check program.

<sup>&</sup>lt;sup>2</sup> Clean Plugging" refers to the use of another vehicle's properly functioning On Board Diagnostic, generation II, (OBD II) system, or another source, to generate passing diagnostic readings for the purpose of issuing fraudulent smog Certificates of Compliance to vehicles that are not in smog compliance and/or not present for testing.

4		A no describing the second sec				. 1
1 2						e-VIN-Missing
3	4.	04/20/2015 1915-1919 hours	2007 BMW 3281 6JLN614	PQ788275C	EO636276 (Respondent Ortega)	Comm. Protocol: JPWM1850 (expected KWPF)
5 6 7		·		,		PID Count: 20 (expected 21) e-VIN-Missing
8 9 10	5.	04/28/2015 1831-1833 hours	2006 Cadillac SRX 6VMS945	PQ788298C	EO636276 (Respondent Ortega)	Comm. Protocol: JVPW1850 (expected ICAN11bt5)
11 12 13				·	:	PID Count: 21 (expected 42) e-VIN-Missing
14	6.	10/2/2015 0754-0759 hours	2005 Dodge Ram 1500 Quad ST/SLT RYCHE1	PY039455C	E0636276 (Respondent Ortega)	Comm. Protocol: 19140808 (expected JVPW)
16 17 18						PID Count: 16 (expected 23) e-VIN-Missing
19 20	7.	10/04/2015 1323-1327 hours	2005 Cadillac C/T CTS HI Feature DP795CF	PY039472C	EO636276 (Respondent Ortega)	Comm. Protocol; 19140808 (expected ICAN11bt5)
21 22 23						PID Count: 16 (expected 42) e-VIN-Missing
24 25 26	8.	10/07/2015 0815-0819 hours	2010 Porshe 911 GT3 VIN No. WP0AC2A94AS783091	PY039480C	EO636276 (Respondent Ortega)	Comm, Protocol: 19140808 (expected ICAN11bt5)
27 28						PID Count: 16 (expected 44)

(JUAN M. GALLARDO, OWNER, DBA D C SMOG CHECK) FIRST AMENDED ACCUSATION

						•
1					h-14-16-16-16-16-16-16-16-16-16-16-16-16-16-	e-VIN-Missing
2 3 4 5	9.	10/10/2015 0740-0750 hours	2014 Ford Fusion Titanium VIN No. 3FA6P0K9XER333028	PY039493C	EO636276 (Respondent Ortega)	Comm. Protocol 19140808 (expected ICAN11bt5) PID Count: 20
6 7		The Policy of the Control of the Con	,			(expected 38) e-VIN-Missing
8 9	10.	10/18/2015 1603-1607 hours	2008 Chevrolet Corvette 6DXD960	PY333832C	EO636276 (Respondent Ortega)	Comm. Protocol 19140808 (expected ICAN11bt5)
1   2						PID Count; 16 (expected 43) e-VIN-Missing
3   4   5	11.	10/21/2015 0812-0817 hours	2007 Mercedes Benz GL450 4 MATIC 6AXJ802	PY333841C	EO636276 (Respondent Ortega)	Comm. Protocol 19140808 (expected ICAN11bt5)
5 7 8						PID Count: 16 (expected 44) e-VIN-Missing
)	12.	10/23/2015 0816-0820 hours	2009 Nissan Maxima S/SV 6FYG769	PY333850C	EO636276 (Respondent Ortega)	Comm. Protocol 19140808 (expected ICAN11bt5) PID Count: 16 (expected 43)
}						e-VIN-Missing
5	13,	10/28/2015 1742-1749 hours	2006 GMC Savana G3500 Diesel 8P32515	PY640520C	E0636276 (Respondent Ortega)	Comm. Protocol 19140808 (expected ICAN11bt5)
7						PID Count: 16 (expected 28)

\* Test times are in military time.

FIRST CAUSE FOR DISCIPLINE

(Untrue or Misleading Statements)

22. Respondent Smog Check's registration is subject to discipline pursuant to Code section 9884.7, subdivision (a)(1), in that between April 6, 2015, through October 28, 2015, Respondent Smog Check made or authorized statements which he knew or in the exercise of reasonable care should have known to be untrue or misleading, as follows: Respondent Smog Check certified that vehicles 1 through 13, set forth above in Table 1, had passed inspection and were in compliance with applicable laws and regulations. In fact, Respondent Smog Check conducted the inspections on the vehicles using the clean plugging method by substituting or using different vehicles during the OBD II functional tests in order to issue smog certificates of compliance for the 13 vehicles, and did not test or inspect the 13 vehicles as required by Health and Safety Code section 44012.

### SECOND CAUSE FOR DISCIPLINE

(Fraud)

23. Respondent Smog Check's registration is subject to discipline pursuant to Code section 9884.7, subdivision (a)(4), in that between April 6, 2015, through October 28, 2015, Respondent Smog Check committed acts which constitute fraud by issuing electronic certificates of compliance for vehicles 1 through 13, set forth above in Table 1, without performing bona fide inspections of the emission control devices and systems on those vehicles, thereby depriving the People of the State of California of the protection afforded by the Motor Vehicle Inspection Program.

### THIRD CAUSE FOR DISCIPLINE

(Failure to Comply with the Motor Vehicle Inspection Program)

24. Respondent Smog Check's station license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (a), in that between April 6, 2015, through October

28, 2015, regarding vehicles 1 through 13, set forth above in Table 1, Respondent failed to comply with the following sections of that Code:

- a. <u>Section 44012:</u> Respondent Smog Check failed to ensure that the emission control tests were performed on vehicles 1 through 13, in accordance with procedures prescribed by the department.
- b. <u>Section 44015</u>: Respondent Smog Check issued electronic certificates of compliance for vehicles 1 through 13, without ensuring that the vehicles were properly tested and inspected to determine if they were in compliance with Health and Safety Code section 44012.
- c. <u>Section 44059</u>: Respondent Smog Check willfully made false entries for the electronic certificates of compliance by certifying that those vehicles had been inspected as required when, in fact, they had not.

### FOURTH CAUSE FOR DISCIPLINE

(Failure to Comply with Regulations Pursuant to the Motor Vehicle Inspection Program)

- 25. Respondent Smog Check's station license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (c), in that between April 6, 2015, through October 28, 2015, regarding vehicles 1 through 13, set forth above in Table 1, Respondent failed to comply with provisions of California Code of Regulations, title 16, as follows:
- a. Section 3340.24, subdivision (c): Respondent Smog Check falsely or fraudulently issued electronic certificates of compliance for those vehicles without performing bona fide inspections of the emission control devices and systems on the vehicles as required by Health and Safety Code section 44012.
- b. <u>Section 3340.35</u>, <u>subdivision (c)</u>: Respondent Smog Check issued electronic certificates of compliance even though those vehicles had not been inspected in accordance with section 3340.42 of that Code.
- c. <u>Section 3340.42</u>: Respondent Smog Check failed to conduct the required smog tests and inspections on those vehicles in accordance with the Bureau's specifications.

### FIFTH CAUSE FOR DISCIPLINE

### (Dishonesty, Fraud or Deceit)

26. Respondent Smog Check's station license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (d), in that between April 6, 2015, through October 28, 2015, regarding vehicles 1 through 13, set forth above in Table 1, Respondent Smog Check committed acts involving dishonesty, fraud or deceit whereby another was injured by issuing electronic certificates of compliance for those vehicles without performing bona fide inspections of the emission control devices and systems on the vehicles, thereby depriving the People of the State of California of the protection afforded by the Motor Vehicle Inspection Program.

### SIXTH CAUSE FOR DISCIPLINE

### (Violations of the Motor Vehicle Inspection Program)

27. Respondent Ortega's inspector license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (a), in that between April 6, 2015, through October 28, 2015, regarding vehicles 1 through 13, set forth above in Table 1, he failed to comply with section 44012 of that Code in a material respect, as follows: Respondent Ortega failed to perform the emission control tests on those vehicles in accordance with procedures prescribed by the department.

### SEVENTH CAUSE FOR DISCIPLINE

# (Failure to Comply with Regulations Pursuant to the Motor Vehicle Inspection Program)

- 28. Respondent Ortega's inspector license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (c), in that between April 6, 2015, through October 28, 2015, regarding vehicles 1 through 13, set forth above in Table 1, he failed to comply with provisions of California Code of Regulations, title 16, as follows:
- a. <u>Section 3340.24, subdivision (c)</u>: Respondent Ortega falsely or fraudulently issued electronic certificates of compliance without performing bona fide inspections of the emission control devices and systems on those vehicles as required by Health and Safety Code section 44012.

b. <u>Section 3340.30 subdivision (a)</u>: Respondent Ortega failed to inspect and test those vehicles in accordance with Health and Safety Code sections 44012.

c. <u>Section 3340.42</u>: Respondent Ortega failed to conduct the required smog tests and inspections on those vehicles in accordance with the Bureau's specifications.

#### EIGHTH CAUSE FOR DISCIPLINE

### (Dishonesty, Fraud or Deceit)

29. Respondent Ortega's inspector license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (d), in that between April 6, 2015, through October 28, 2015, regarding vehicles 1 through 13, set forth above in Table 1, he committed acts involving dishonesty, fraud or deceit whereby another was injured by issuing electronic certificates of compliance without performing bona fide inspections of the emission control devices and systems on those vehicles, thereby depriving the People of the State of California of the protection afforded by the Motor Vehicle Inspection Program.

#### FACTUAL BACKGROUND

Diagnostic Inspection System (OIS) test data for Respondent Smog Check. The test data revealed anomalies consistent with fraudulent Smog Check activities. A further in depth analysis of OIS test data revealed that there were a total of five (5) vehicles of various years, make and models that were issued five (5) fraudulent Certificates of Compliance. The OIS test data from these five (5) vehicles were compared to the OIS test data of similar vehicles of the same year, make and model that received passing Smog Check inspections and received smog certificates. The data comparison showed multiple discrepancies with five (5) vehicles that were all certified with the e-VIN missing, incorrect vehicle communication protocols and incorrect Parameter Identification (PID) count, which confirms the vehicles receiving smog certificates were fraudulently tested during the smog inspection using the clean plugging method. The discrepancies in the OIS Test Detail showed that the OIS Data Acquisition Device (DAD) was not connected to the five (5) vehicles. Table 2 illustrates the clean plugging activities at Respondent Smog Check between

January 7, 2017, through January 12, 2017. All of the following inspections were performed by Respondent Ortega.

3

Tr.	4 TX	L		^
	3 13		н:	_

4	Test No.	Test Date and Time*	Vehicle Certified & License No. and VIN No.	Certificate No.	Technician License No.	OIS Test Data Details
5 6 7 8	1.	01/07/2017 0813-0816 hours	2008 Nissan Altima Hybrid 6CSB280	ZN348728C	EO636276 (Respondent Ortega)	Comm. Protocol: 19140808 (expected ICAN11bt5)
9						PID Count: 16 (expected 39/18 or 39/22)
11		The state of the s				e-VIN-Missing
12 13 14	2.	01/07/2017 1129-1133 hours	2005 Dodge RAM 1500 ST 7V29830	ZN348735C	EO636276 (Respondent Ortega)	Comm. Protocol: 19140808 (expected JVPW)
15 16 17			• •			PID Count: 16 (expected 22/3 or 23/3) e-VIN-Missing
18 19 20 21	3.	01/07/2017 1250-1253 hours	2005 Chevrolet Cavalier 5JDL100	ZN348738C	EO636276 (Respondent Örtega)	Comm. Protocol: 19140808 (expected JVPW)
22 23 24	,					PID Count: 16 (expected 18) e-VIN-Missing
25 26 27	4.	01/07/2017 1300-1303 hours	2008 Chevrolet Silverado C2500 HEAVY DUTY VIN No. 1GCHC29K08E182582	ZN348739C	EO636276 (Respondent Ortega)	Comm. Protocol: 19140808 (expected ICAN11bt5)
28			, , , , , , , , , , , , , , , , , , , ,			PID Count: 16 (expected 43/7)

17

(JUAN M. GALLARDO, OWNER, DBA D C SMOG CHECK) FIRST AMENDED ACCUSATION

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	-
12	
13	S
14	Į
15	r
16	
17	v
18	
19	u
20	$\ $
21	
22	S
23	
24	
~ c	

26

27

28

		Marie and the control of the control			
					e-VIN-Missing
5.	01/12/2017 0921-925 hours	2010 Toyota Corolla BASE 7CNJ713	ZN521883C	EO636276 (Respondent Ortega)	Comm. Protocol: 19140808 (expected ICAN11bt5) PID Count: 16 (expected 39) e-VIN-Missing

<sup>\*</sup> Test times are in military time.

### NINTH CAUSE FOR DISCIPLINE

(Untrue or Misleading Statements)

31. Respondent Smog Check's registration is subject to discipline pursuant to Code section 9884.7, subdivision (a)(1), in that between January 7, 2017, through January 12, 2017, Respondent Smog Check made or authorized statements which he knew or in the exercise of reasonable care should have known to be untrue or misleading, as follows: Respondent Smog Check certified that vehicles 1 through 5, set forth above in Table 2, had passed inspection and were in compliance with applicable laws and regulations. In fact, Respondent Smog Check conducted the inspections on the vehicles using the clean plugging method by substituting or using different vehicles during the OBD II functional tests in order to issue smog certificates of compliance for the 5 vehicles, and did not test or inspect the 5 vehicles as required by Health and Safety Code section 44012.

### TENTH CAUSE FOR DISCIPLINE

(Fraud)

32. Respondent Smog Check's registration is subject to discipline pursuant to Code section 9884.7, subdivision (a)(4), in that between January 7, 2017, through January 12, 2017, Respondent Smog Check committed acts which constitute fraud by issuing electronic certificates of compliance for vehicles 1 through 5, set forth above in Table 2, without performing bona fide inspections of the emission control devices and systems on those vehicles, thereby depriving the

People of the State of California of the protection afforded by the Motor Vehicle Inspection Program.

### ELEVENTH CAUSE FOR DISCIPLINE

(Failure to Comply with the Motor Vehicle Inspection Program)

- 33. Respondent Smog Check's station license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (a), in that between January 7, 2017, through January 12, 2017, regarding vehicles 1 through 5, set forth above in Table 2, Respondent failed to comply with the following sections of that Code:
- a. <u>Section 44012:</u> Respondent Smog Check failed to ensure that the emission control tests were performed on vehicles 1 through 5, in accordance with procedures prescribed by the department.
- b. <u>Section 44015</u>: Respondent Smog Check issued electronic certificates of compliance for vehicles 1 through 5, without ensuring that the vehicles were properly tested and inspected to determine if they were in compliance with Health and Safety Code section 44012.
- c. <u>Section 44059</u>: Respondent Smog Check willfully made false entries for the electronic certificates of compliance by certifying that those vehicles had been inspected as required when, in fact, they had not.

### TWELFTH CAUSE FOR DISCIPLINE

(Failure to Comply with Regulations Pursuant to the Motor Vehicle Inspection Program)

- 34. Respondent Smog Check's station license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (e), in that between January 7, 2017, through January 12, 2017, regarding vehicles 1 through 5, set forth above in Table 2, Respondent failed to comply with provisions of California Code of Regulations, title 16, as follows:
- a. Section 3340.24, subdivision (c): Respondent Smog Check falsely or fraudulently issued electronic certificates of compliance for those vehicles without performing bona fide inspections of the emission control devices and systems on the vehicles as required by Health and Safety Code section 44012.

- b. <u>Section 3340.35</u>, <u>subdivision (c)</u>: Respondent Smog Check issued electronic certificates of compliance even though those vehicles had not been inspected in accordance with section 3340.42 of that Code.
- c. <u>Section 3340.42</u>: Respondent Smog Check failed to conduct the required smog tests and inspections on those vehicles in accordance with the Bureau's specifications.

### THIRTIETH CAUSE FOR DISCIPLINE

### (Dishonesty, Fraud or Deceit)

35. Respondent Smog Check's station license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (d), in that between January 7, 2017, through January 12, 2017, regarding vehicles 1 through 5, set forth above in Table 2, Respondent Smog Check committed acts involving dishonesty, fraud or deceit whereby another was injured by issuing electronic certificates of compliance for those vehicles without performing bona fide inspections of the emission control devices and systems on the vehicles, thereby depriving the People of the State of California of the protection afforded by the Motor Vehicle Inspection Program.

### FOURTEENTH CAUSE FOR DISCIPLINE

### (Violations of the Motor Vehicle Inspection Program)

36. Respondent Ortega's inspector license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (a), in that between January 7, 2017, through January 12, 2017, regarding vehicles 1 through 5, set forth above in Table 2, he failed to comply with section 44012 of that Code in a material respect, as follows: Respondent Ortega failed to perform the emission control tests on those vehicles in accordance with procedures prescribed by the department.

### FIFTEENTH CAUSE FOR DISCIPLINE

## (Failure to Comply with Regulations Pursuant to the Motor Vehicle Inspection Program)

37. Respondent Ortega's inspector license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (c), in that between January 7, 2017, through

January 12, 2017, regarding vehicles 1 through 5, set forth above in Table 2, he failed to comply with provisions of California Code of Regulations, title 16, as follows:

- a. <u>Section 3340.24</u>, <u>subdivision (c)</u>: Respondent Ortega falsely or fraudulently issued electronic certificates of compliance without performing bona fide inspections of the emission control devices and systems on those vehicles as required by Health and Safety Code section 44012.
- b. <u>Section 3340.30 subdivision (a)</u>: Respondent Ortega failed to inspect and test those vehicles in accordance with Health and Safety Code sections 44012.
- c. <u>Section 3340.42</u>: Respondent Ortega failed to conduct the required smog tests and inspections on those vehicles in accordance with the Bureau's specifications.

### SIXTIETH CAUSE FOR DISCIPLINE

(Dishonesty, Fraud or Deceit)

38. Respondent Ortega's inspector license is subject to discipline pursuant to Health and Safety Code section 44072.2, subdivision (d), in that between January 7, 2017, through January 12, 2017, regarding vehicles 1 through 5, set forth above in Table 2, he committed acts involving dishonesty, fraud or deceit whereby another was injured by issuing electronic certificates of compliance without performing bona fide inspections of the emission control devices and systems on those vehicles, thereby depriving the People of the State of California of the protection afforded by the Motor Vehicle Inspection Program.

#### OTHER MATTERS

- 39. Pursuant to Code section 9884.7, subdivision (c), the director may suspend, revoke, or place on probation the registrations for all places of business operated in this state by Juan M. Gallardo, Owner, doing business as D C Smog Check, upon a finding that he has, or is, engaged in a course of repeated and willful violation of the laws and regulations pertaining to an automotive repair dealer.
- 40. Pursuant to Health and Safety Code section 44072.8, if Smog Check, Test Only, Station License Number TC 276708, issued to Juan M. Gallardo, Owner, doing business as D C

Smog Check, is revoked or suspended, any additional license issued under this Chapter 5 of Part 5 of Div 26 of the Health and Safety Code in the name of said licensee may be likewise revoked or suspended by the director.

41. Pursuant to Health and Safety Code section 44072.8, if Smog Check Inspector License No. EO 636276, issued to Angel Felipe Sanchez Ortega, is revoked or suspended, any additional license issued under this Chapter 5 of Part 5 of Div 26 of the Health and Safety Code in the name of said licensee may be likewise revoked or suspended by the director.

### **DISCIPLINE CONSIDERATIONS**

- 42. To determine the degree of discipline, if any, to be imposed on Respondent Smog Check, Complainant alleges that on or about March 4, 2015, in a prior action, the Bureau of Automotive Repair issued Citation Number C2015-0146 and ordered Respondent Smog Check to pay a citation fine of \$1,000.00. That Citation is now final and is incorporated by reference as if fully set forth.
- 43. To determine the degree of discipline, if any, to be imposed on Respondent Ortega, Complainant alleges that on or about March 4, 2015, in a prior action, the Bureau of Automotive Repair issued Citation Number M2015-0147 and ordered Respondent Ortega to complete an 8 hour training class. That Citation is now final and is incorporated by reference as if fully set forth.

### PRAYER .

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director of Consumer Affairs issue a decision:

- 1. Revoking or suspending Automotive Repair Dealer Registration Number ARD 276708, issued to Juan M. Gallardo, Owner, doing business as D C Smog Check;
- 2. Revoking, suspending, or placing on probation any other automotive repair dealer registration issued to Juan M. Gallardo;
- 3. Revoking or suspending Smog Check, Test Only, Station License Number TC 276708, issued to Juan M. Gallardo, Owner, doing business as D C Smog Check;