Recognizing and Combating Interstate Moving Fraud

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Recently, the U.S. Department of Justice charged several company officials operating as Flagship Van Lines. Flagship Van Lines, along with many affiliated companies including Unified Van Lines, Public Moving Services, and Presidential Moving, were identified by investigators as hiking prices after the customer has committed to the original price and/or refusing to release more than 160 shipments without excessive payments from the customer. Flagship Van Lines and its affiliates executed a wide-range of moving fraud scams with approximately 1,000 victims. On July 25, 2018, twelve people were charged with operating more than a dozen moving companies that participated in these scams. These individuals are now awaiting trial and law enforcement officials are using the Federal Racketeer Influenced and Corrupt Organizations Act, as well as mail and wire fraud charges to build their cases. “These indictments send a bold message that moving fraud schemes will not be tolerated,” said Thomas Ullom, Regional Special Agent-in Charge with the U.S. Department of Transportation’s Office of Inspector General during a news conference on July 31, 2018.

Consumers are often not aware of the dangers that may result from choosing an unscrupulous interstate mover. Fortunately, most moves are completed with few or no issues at all. The small number of movers who are not concerned with good service or operating reputable businesses may advertise on the internet with flashy webpages to lure unsuspecting customers. As more consumers use the web to obtain an interstate mover, these fraudulent businesses have a wider reach.

Dishonest or rogue movers typically show little regard for ethical business practices and will continue to operate their scams, developing new ways to victimize consumers as technology moves forward. One way rogue movers can be stopped is by increasing prosecution of these types of crimes with the assistance of state law enforcement partners and by publicizing the enforcement actions taken.

In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equality Act: A Legacy for Users\(^1\) (SAFETEA-LU) authorized state attorneys general and state household goods regulatory agencies to enforce certain federal provisions governing interstate moves. The state agencies and the attorneys general may retain civil penalties and fines recovered under the statutory

and regulatory provisions. Section 49 U.S.C. 14710,\(^2\) applies to state household goods regulatory agencies and Section 49 U.S.C. 14711\(^3\) applies to actions by state attorneys general.

To date, the Federal Motor Carrier Safety Administration (FMCSA) has fostered formal working agreements with six state regulatory agencies and three attorney general’s offices. These agencies understand the challenges that many of their consumers face with rogue operations and their efforts have helped to reduce the number of complaints involving rogue movers within their jurisdictions. FMCSA is interested in adding state agencies to join our Household Goods State Enforcement Partnership Program to assist with the enforcement of consumer protection regulations and statues. Combining our efforts serves as a force multiplier and combating moving fraud requires federal and state agencies working together to protect consumers from becoming victims of unscrupulous movers.

There are four components to the FMCSA State Partnership Program. The partnership component ensures a mutual understanding of the roles and responsibilities by having both parties consent to a “Memorandum of Understanding” which outlines the obligations in SAFETEA-LU. The outreach component provides subject matter updates for the “Protect Your Move” website, including pertinent publications and makes materials available to our state partners. The Protect Your Move website also provides links to our partner websites so that consumers will have additional resources for assistance. The policy component consists of guidance to support enforcement efforts related to federal statutes and regulations. Finally, the data component includes the collection and analysis by the FMCSA program office of household goods data. This information is shared with state enforcement partners.

FMCSA’s Commercial Enforcement and Investigations Division develops performance goals, establishes benchmarks, and completes an annual performance monitoring report. There is a coordinated effort to target movers who have a history of non-compliance and unethical business practices. FMCSA provides training and support to state partners with respect to its consumer protection regulations and the enforcement tools utilized by FMCSA investigators.

For more information on the “Protect Your Move” website, please visit: 
https://www.fmcsa.dot.gov/protect-your-move