

**Exh. SP-1T
Docket TV-180605
Witness: Susie Paul**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In re Application of

DOLLY, INC.

**for a permit to operate as a motor carrier
of household goods and a permit to
operate as a motor freight common
carrier**

DOCKET TV-180605

TESTIMONY OF

Susie Paul

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Dolly, Inc.'s Unfitness for Household Goods and Common Carrier Permits

November 30, 2018

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1 **I. INTRODUCTION**

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Q. Please state your name and business address.

A. My name is Susie Paul. My office address is 1300 South Evergreen Park Drive Southwest, P.O. Box 47250, Olympia, Washington, 98504. My email address is susie.paul@utc.wa.gov.

Q. By whom are you employed and in what capacity?

A. I am employed by the Washington Utilities and Transportation Commission (Commission) as a compliance investigator.

Q. How long have you been employed by the Commission?

A. I have been employed by the Commission since April 2013.

Q. What are your duties as a compliance investigator?

A. As a compliance investigator, my responsibilities include conducting investigations regarding the business practices of regulated utility and transportation companies. As part of those duties, I also investigate companies that may be operating without the required Commission-issued permit or certificate, including household goods carriers.

Q. Have you received any training or education to help you carry out your duties as a compliance investigator?

1 A. I have a Bachelor's degree in criminal justice from St. Martin's University. I have
2 more than 14 years of experience as an investigator with the state of Washington in a
3 regulatory capacity. I am a certified Washington state investigator and have
4 completed the core and advanced trainings required of state investigators. These
5 trainings are designed for investigators who regularly conduct civil administrative
6 investigations dealing with regulations or misconduct. I am also a member of the
7 Pacific Northwest License and Tax Fraud Association, which provides continuing
8 education for Washington investigators.

9

10 **Q. Have you previously testified before the Commission?**

11 A. Yes. I have testified in a number of dockets related to the regulated transportation,
12 telecommunications, and water industries.

13

14 **II. SCOPE AND SUMMARY OF TESTIMONY**

15

16 **Q. What topics will you be discussing in your testimony?**

17 A. I will provide testimony on Staff's recommendation that the Commission deny
18 Dolly, Inc.'s (Dolly) application for household goods carrier and motor freight
19 common carrier permits.

20

1 **Q. Why does Staff recommend that the Commission deny Dolly's application?**

2 A. Dolly has shown itself to be unwilling and/or unable to comply with the public
3 service laws and the Commission's rules and orders, and therefore unfit to hold a
4 permit.

5
6 **III. DOLLY'S CLASSIFICATION AND THE ORDER TO CEASE AND DESIST**

7
8 **Q. Are you familiar with Dolly?**

9 A. Yes.

10

11 **Q. How did you become familiar with Dolly?**

12 A. I am familiar with Dolly as I was the assigned investigator in Docket TV-171212, in
13 which the Commission's regulatory staff looked into Dolly's business practices to
14 determine whether its operations violated the public service laws.

15

16 **Q. Did you visit Dolly's webpage and its digital advertising in the course of your
17 investigation?**

18 A. Yes. I visited Dolly's webpage and its Facebook, Twitter, Instagram, and Pinterest
19 pages, among others. True and correct copies of those pages, as they existed at the
20 time of my initial investigation, are included as Exhibits SP-2 (Dolly's webpage),
21 SP-3 (Dolly's Facebook Page), SP-4 (Dolly's Twitter Page), SP-5 (Dolly's
22 Instagram Page), and SP-6 (Dolly's Pinterest Page).

1 **Q. Did the Commission act on your investigation?**

2 A. Yes. In Docket TV-171212, the Commission issued Order 01, alleging that Dolly
3 was engaging in business as a household goods carrier, a common carrier, and a solid
4 waste hauler by advertising to do so, and without first obtaining the required permit
5 or certificate from the Commission.

6

7 **Q. What came of the Commission's complaint?**

8 A. On March 13, 2018, the Commission convened a Brief Adjudicative Proceeding and
9 on April 9, 2018, issued corrected Order 02, which classified Dolly as a household
10 goods carrier within the state of Washington, a common carrier transporting property
11 other than household goods in the state of Washington, and a solid waste company
12 offering to pick up, transport, and dispose of solid waste in Washington.

13

14 **Q. Did Corrected Order 02 require Dolly to change its business practices?**

15 A. Yes. Corrected Order 02 required Dolly to cease and desist jurisdictional operations
16 unless it first obtained the appropriate permit or certificate from the Commission.
17 Dolly was ordered to clearly state on its website and in all social media advertising
18 and platforms that it uses to make its services known that it does not offer or perform
19 services regulated by the Commission in the state of Washington.

20

21 **Q. Did Corrected Order 02 impose a penalty on Dolly?**

22 A. Yes. Corrected Order 02 imposed a \$69,000 penalty on Dolly, one half of which was
23 suspended on condition of future compliance. The order also stated that the

1 Commission would investigate whether the company complied with the conditions
2 of the suspension of penalties. A true and correct copy of Corrected Order 02 is
3 attached as Exhibit SP-7.

4

5 **Q. Did Dolly petition for review of that order?**

6 A. Yes.

7

8 **Q. What did the Commission do with Dolly's petition?**

9 A. The Commission denied it, although it modified the terms of the penalty suspension,
10 suspending the full \$69,000 penalty until June 30, 2019, subject to the requirement
11 that Dolly immediately cease and desist from the operations as described in
12 Corrected Order 02. A true and correct copy of the order denying review is attached
13 as Exhibit SP-8.

14

15 **Q. Did the Commission consider Dolly classified as a carrier subject to its
16 jurisdiction after its final order?**

17 A. Yes. The Commission's final order affirmed Corrected Order 02's findings that
18 Dolly had engaged in business as a household goods carrier and operated as a
19 common carrier and as a solid waste collection company.

20

21 **Q. And did the Commission order Dolly to cease and desist from jurisdictional
22 conduct in its final order?**

1 A. Yes. The Commission ordered Dolly to immediately cease operating as a household
2 goods carrier, common carrier, and solid waste collection company unless it obtains
3 authority from the Commission.

4 Further, the Commission ordered Dolly to clearly indicate in its web-based
5 application on the Internet and in its advertising on Facebook, Twitter, Pinterest, and
6 any other social media sites or other platforms it uses or has used to make its services
7 known, that it does not offer or perform services in the state of Washington as a
8 household goods carrier, as a common carrier transporting property other than
9 household goods, or as a solid waste hauler unless it obtained authority from the
10 Commission.

11

12 **IV. DOLLY’S POST-CLASSIFICATION MOTIONS FOR STAY**

13

14 **Q. Did Dolly acknowledge the existence of the Commission’s cease and desist order**
15 **to the Commission?**

16 A. Yes. After the Commission entered its final order in Docket TV-171212, Dolly
17 moved for an administrative stay of the order. When it did so, Dolly stated that the
18 order would require it to permanently cease from offering its services or making
19 those services known. A true and correct copy of Dolly’s motion for stay is attached
20 as Exhibit SP-9.

21

1 **Q. Did the Commission grant Dolly's motion?**

2 A. No. It denied Dolly's motion. When it did so, however, the Commission made clear
3 that Dolly only needed to shut down until it was issued the required permit or
4 certification from the Commission. A true and correct copy of the order denying the
5 stay is attached as Exhibit SP-10.

6

7 **Q. Did Dolly turn to other forums in an attempt to obtain a stay?**

8 A. Yes. Dolly petitioned the Thurston County Superior Court for review of the
9 Commission's final order. Along with that petition, it filed a motion for a judicial
10 stay of the order.

11

12 **Q. Did Dolly say anything about what the Commission's final order required it to
13 do when moving for the judicial stay?**

14 A. Yes. Again, Dolly said it would have to shut down. A true and correct copy of
15 Dolly's motion is attached as Exhibit SP-11.

16

17 **Q. Did the superior court grant the stay?**

18 A. No. I attended a hearing on June 29, 2018, during which the judge denied Dolly's
19 motion without prejudice. A true and correct copy of the order denying the motion is
20 attached as Exhibit SP-12.

21

1 **V. STAFF’S JUNE AND JULY 2018 COMPLIANCE INVESTIGATIONS**

2
3 **Q. Did you investigate Dolly’s compliance with the Commission’s cease and desist**
4 **order?**

5 A. Yes. I reviewed Dolly’s compliance with the Commission’s order in June, July,
6 September, and October of 2018.

7
8 **Q. Why did you do so?**

9 A. Corrected Order 02 required me to investigate whether the Company complied with
10 the terms of the penalty suspension.

11
12 **Q. How did you investigate Dolly’s compliance?**

13 A. I began by reviewing Dolly’s website. A true and accurate copy of the website as I
14 saw it on June 15, 2018, is attached as Exhibit SP-13.

15
16 **Q. What did you discover during that review?**

17 A. I discovered that Dolly continued to advertise as a household goods carrier, common
18 carrier, and solid waste hauler. Dolly’s website stated that the Company’s most
19 common “Dollies” are “mini and small moves, apartment moves, Craigslist &
20 Offerup Pick-Up and Delivery, Storage Moves, and Junk Removal.”

21 I also reviewed the “Cities” tab found on Dolly’s website. The webpage
22 stated, “Cities With Dolly More coming soon!,” and included on the webpage was a
23 United States map listing Seattle, Washington, as a city in which Dolly operates.

1 **Q. What did you do next?**

2 A. I conducted an internet search and found Yelp reviews for Dolly. True and correct
3 copies of the reviews I found in June 2018 are attached as Exhibit SP-14.

4

5 **Q. What did you learn from the Yelp reviews?**

6 A. That Dolly was continuing to operate. Two customers posted negative reviews of
7 Dolly. I contacted both of those customers and discovered from one of them that he
8 had booked his move on June 10, 2018, nearly a month after the Commission
9 ordered Dolly to cease and desist.

10

11 **Q. Did you do anything else in your June review?**

12 A. Yes. I visited Dolly's Facebook and Twitter pages.

13

14 **Q. What did you see on Dolly's Facebook page?**

15 A. I found that Dolly listed its location as 901 5th Ave., Seattle, Washington. Dolly's
16 Facebook page also had a map with Dolly's location pinpointed. I searched the
17 Facebook page, but did not find any language indicating that Dolly does not offer or
18 perform services in the state of Washington as a household goods carrier, as a
19 common carrier transporting property other than household goods, or as a solid waste
20 hauler. A true and accurate copy of Dolly's Facebook page as I saw it on June 18,
21 2018, is attached as Exhibit SP-15.

22

1 **Q. And what did you see on Dolly’s Twitter page?**

2 A. I found a link to an article. I selected the link and was redirected to a page titled,
3 “Book A Dolly,” which included instructions on how to book a Dolly, a map of
4 Dolly’s service area, a list of Seattle neighborhoods that Dolly serves, and a
5 solicitation for hiring Helpers. I searched the Twitter pages, but did not find any
6 language indicating that Dolly does not offer or perform services in the state of
7 Washington as a household goods carrier, as a common carrier transporting property
8 other than household goods, or as a solid waste hauler. A true and accurate copy of
9 Dolly’s Twitter page as I saw it on June 19, 2018, is attached as Exhibit SP-16.

10

11 **Q. Did that complete your June review?**

12 A. No. I also purchased a ticket to travel between Lakewood and Sumner, both in
13 Washington, on the SoundTransit commuter train.

14

15 **Q. Did you find anything of note on the train?**

16 A. Yes. I observed large photo advertisements for Dolly in six out of the seven cars I
17 entered on June 18, 2018. True and accurate copies of the advertisements I saw are
18 attached as Exhibits SP-17 and SP-18.

19

20 **Q. What did you do when you reviewed Dolly’s compliance in July 2018?**

21 A. I returned to Dolly’s website, Facebook page, and Twitter page.

22

1 **Q. What did you see on those pages?**

2 A. I found many of the same advertisements that I saw during my June 2018 review of
3 Dolly. A photograph posted by Dolly on June 22, 2018, featured two people wearing
4 shirts with the Dolly logo behind a truck with a Dolly advertisement that stated,
5 “Truck and Muscle Anytime You Need It.” The article also had a link that routed me
6 to Dolly’s Instagram page, which showed the same photograph, but with more detail,
7 including a Washington state license plate on the truck. I did not find any language
8 indicating that Dolly does not offer or perform services in the state of Washington as
9 a household goods carrier, as a common carrier transporting property other than
10 household goods, or as a solid waste hauler. True and correct copies of the posts I
11 found on Facebook and Instagram as I found them on July 10, 2018, are attached as
12 Exhibits SP-19 and SP-20.

13
14 **Q. Did your compliance investigation prompt Staff to take action?**

15 A. Yes. Staff moved to have the suspended portion of the penalty imposed. Staff based
16 this motion on a declaration I wrote to summarize my investigation and findings. I
17 attached screen captures of relevant webpages to my declaration.

18
19 **Q. What did the Commission do with that motion?**

20 A. The Commission determined that Dolly had violated the cease and desist order and
21 imposed the suspended penalties in Order 06 in Docket TV-171212, filed August 3,
22 2018. A true and correct copy of the order imposing the suspended penalties is
23 attached as Exhibit SP-21.

1 **Q. Did Dolly petition for review of the order imposing the suspended penalty?**

2 A. No. Instead, it filed an application for mitigation.

3

4 **Q. Did the Commission grant Dolly's application for mitigation?**

5 A. No. A Commission administrative law judge (ALJ) entered an order denying the
6 application on two major grounds. A true and correct copy of the order denying the
7 application for mitigation is attached as Exhibit SP-22.

8

9 **Q. Why did the ALJ deny Dolly's application for mitigation?**

10 A. As relevant to this proceeding, the ALJ determined that Dolly was not eligible for
11 mitigation because it had failed to comply with the Commission's cease and desist
12 order.

13

14 **Q. What did Dolly do then?**

15 A. It petitioned the Commission for administrative review of the order denying its
16 application.

17

18 **Q. Did the Commission grant that petition?**

19 A. No. The Commission affirmed the ALJ's reasoning and conclusions and denied the
20 petition. A true and correct copy of the order denying review is attached as Exhibit
21 SP-23.

22

1 **Q. Did Dolly take any further action with regard to the denial of its application for**
2 **mitigation?**

3 A. Yes. It petitioned for reconsideration of the Commission’s order affirming the denial
4 of its application for mitigation.

5
6 **Q. Did the Commission grant reconsideration?**

7 A. No. A true and correct copy of the order denying reconsideration is attached as
8 Exhibit SP-24.

9
10 **Q. Did the Commission say anything about Dolly’s compliance with its earlier**
11 **orders when denying reconsideration?**

12 A. The Commission said that its cease and desist order was unambiguous and that Dolly
13 was “feign[ing] confusion” about the order “to justify its ongoing noncompliance.”¹
14

15 **VI. STAFF’S SEPTEMBER AND OCTOBER COMPLIANCE REVIEWS**

16
17 **Q. Did you again review Dolly’s compliance with the Commission’s final order in**
18 **September and October 2018?**

19 A. Yes.

20
21 **Q. How so?**

22 A. I reviewed Dolly’s website and its Facebook, Twitter, and Instagram pages.

¹ *In re Determining the Proper Carrier Classification of, and Complaint for Penalties Against Dolly, Inc.*,
Docket TV-171212, Order 09, at 4 ¶ 15 (Oct. 31, 2018).

1 **Q. What did your review of Dolly’s website disclose?**

2 A. I reviewed the tab “Dolly’s Blog” found on Dolly’s website and selected a link,
3 “truck and muscle.” I was redirected to Dolly’s website that advertised “Furniture
4 Delivery When You Need It.” I also found that the website included a tool that
5 consumers may use to obtain estimates for transportation services. A true and
6 accurate copy of Dolly’s website as I saw it in September 2018 is attached as Exhibit
7 SP-25.

8

9 **Q. Did you use that tool?**

10 A. Yes, on two separate occasions. The first time, I requested an estimate by entering
11 pick-up and drop-off locations using valid residential addresses in Olympia, located
12 in Thurston County, Washington, and entered 15 items to be moved. I immediately
13 received an estimated cost of \$1,290-\$1,320. I requested a second estimate, using the
14 same two residential addresses in Thurston County, with a request to move two
15 items. I immediately received an estimate of \$140-\$170.

16 The second time, I went to Dolly’s website at www.Dolly.com and requested
17 a move on September 20, 2018. There were numerous types of moves to select. I
18 selected the “apartment move” category. I requested a move within two residential
19 addresses in Olympia, Washington. True and correct copies of the estimates I
20 received from Dolly are attached as Exhibits SP-26 and SP-27.

21

22 **Q. Did you find that Dolly accurately described to staff the types of moves it is**
23 **involved in?**

1 A. No. Dolly has consistently told Commission staff that it only moves one or two
2 items. I found that I was able to select an apartment move when requesting an
3 estimate and my estimate included moving 21 items: one six-foot couch; one dining
4 table; six dining room chairs; one bookcase; one leather recliner/sectional (two
5 pieces); four large boxes; and seven medium boxes. Dolly's representations to
6 Commission staff about its operations do not square with the types of moves it
7 actually performs.

8

9 **Q. What did you see when you visited Dolly's Facebook page?**

10 A. I found one minor change for the better in that Dolly removed its map and reference
11 to the company being located in Seattle from the front page. But I also found a link
12 to an article that Dolly posted on September 5, 2018, that rerouted me to Dolly's
13 website that had an advertisement. The advertisement showed two men wearing
14 shirts with Dolly's logo standing next to a truck. Within the article, there were
15 additional links that rerouted me to a "Cities" link that, when selected, showed a map
16 with Seattle pinpointed. When I selected Seattle's pin, I was redirected to a
17 photograph of Seattle's landscape and a close-up map of the Seattle Metro area. The
18 page also listed some of the neighborhoods Dolly serves. A true and accurate copy of
19 the article posted on Dolly's Facebook page as I saw it on September 6, 2018, is
20 attached as Exhibit SP-28.

21

1 **Q. What did you see on Dolly’s Twitter page?**

2 A. The Twitter page showed a web address of <https://dolly.com/cities>. I went to the
3 advertised web address and was routed to Dolly’s website, and again to the “Cities
4 With Dolly,” section that showed Dolly as being available in Seattle. A true and
5 accurate copy of Dolly’s Twitter page as I saw it on September 18, 2018, is attached
6 as Exhibit SP-29.

7
8 **Q. And what did you see on Dolly’s Instagram page?**

9 A. I found a link, bit.ly/2NkfyA5, placed prominently on the top of Dolly’s Instagram
10 page. When I selected the link, I was redirected to Dolly’s Blog, “Unboxed.” The
11 Blog featured an article posted by Dolly on September 18, 2018, entitled, “Now Live
12 in the Bay Area and Washington, D.C: Dolly’s Available from Coast to Coast.” At
13 the bottom of the article, Dolly said, “Outside of SF and DC, but want to use Dolly?
14 We’re also available in Boston, Chicago, Denver, Philadelphia, Portland, San Diego,
15 and Seattle. If you don’t see your city listed, tell us where you’d like us to bring
16 truck and muscle next!” A true and accurate copy of Dolly’s Instagram page as I saw
17 it on September 18, 2018, is attached as Exhibit SP-30.

18
19 **Q. Did you return to Dolly’s webpage in October 2018?**

20 A. Yes.

21

1 **Q. What did you find upon your return?**

2 A. I found that Dolly was continuing to advertise as a household goods carrier, common
3 carrier, and solid waste hauler. Dolly's website still says that the Company's most
4 common "Dollies" include "mini and small moves, apartment moves, Craigslist &
5 Offerup Pick-Up and Delivery, Storage Moves, and Junk Removal."

6 I also revisited the "Cities" page on Dolly's website, where I again observed
7 the U.S. map showing different locations pinpointed as either available now, or
8 coming soon. Seattle was pinpointed as available now. When I selected Seattle's pin,
9 I was redirected to a page that features a photograph of Seattle's landscape, a
10 detailed map of the Seattle Metro area, and a partial list of local neighborhoods Dolly
11 serves.

12 Further, the estimate tool was still available. A true and accurate copy of
13 Dolly's webpage as I saw it in October 2018 is attached as Exhibit SP-31.

14

15 **Q. Did you use the estimate tool again?**

16 A. Yes. I requested an estimate for a residential pick-up location in Lacey, Washington,
17 and a residential drop-off location in Olympia, Washington. I requested to move five
18 items. I immediately received an estimate of \$130-\$160. A true and accurate copy of
19 the estimate Dolly gave me is attached as Exhibit SP-32.

20

21 **Q. Did you return to Dolly's Facebook page in October 2018?**

22 A. Yes.

23

1 **Q. What did you see there when you returned to it?**

2 A. I found that Dolly identifies itself on its Facebook page as “Truck and Muscle,
3 Anytime You Need It,” and “Moving & Storage Service – Transportation Service –
4 Internet Company.” I also found an article “Get Organized for Fall: How to Swap
5 Out Seasonal Clothes,” posted by Dolly on October 2, 2018. When I selected the
6 article, I was routed to Dolly’s Blog, which is connected to Dolly’s website. There I
7 found a photograph of two men wearing shirts with Dolly’s logo standing next to a
8 truck. A true and accurate copy of Dolly’s Facebook page as I saw it in October 2018
9 is attached as Exhibit SP-33.

10

11 **Q. Did you visit Dolly’s Twitter page in October 2018?**

12 A. Yes.

13

14 **Q. And what did you find when you visited?**

15 A. I found a web address, <https://dolly.com/cities>. I went to the advertised web address
16 and was routed to Dolly’s website, and again to the “Cities With Dolly,” section that
17 shows Dolly as currently available in Seattle. A true and accurate copy of Dolly’s
18 Twitter page as I saw it on October 9, 2018, is attached as Exhibit SP-34.

19

20 **Q. Did you return to Dolly’s Instagram page in October 2018?**

21 A. Yes.

22

1 **Q. What did you see there?**

2 A. I found a link, bit.ly/2ydLbBM, placed prominently on the top of Dolly's Instagram
3 page. When I selected the link, I was redirected to Dolly's Blog, "Unboxed." At the
4 bottom of the page, Dolly advertises, "We're here for all your moves, come wind,
5 rain, or snowstorm!" The words "all your moves," was a hyperlink that redirected me
6 to Dolly.com. A true and accurate copy of Dolly's Instagram page as I saw it in
7 October 2018, is attached as Exhibit SP-35.

8

9 **VII. DOLLY'S INCENTIVE TO OPERATE IN VIOLATION OF THE**
10 **COMMISSION'S ORDER**

11

12 **Q. Did you find any publicly available information about Dolly's income in the**
13 **course of your investigation?**

14 A. Yes. I found a September 18, 2018, post on the website GeekWire describing Dolly's
15 operations. The author apparently put the post up after interviewing Dolly's chief
16 executive officer, Michael Howell. In the post, the author notes that Dolly is
17 producing more than \$1,000,000 in revenue per month. A true and correct copy of
18 that post is attached as Exhibit SP-36.

19

20 **Q. Does that monthly revenue figure exceed the amount of the penalty that the**
21 **Commission suspended, but then imposed?**

22 A. Yes. As mentioned above, the Commission ultimately imposed a penalty of \$69,000
23 for Dolly's violation of the public service laws.

1 **Q. What inferences did you draw from the information that you have gathered**
2 **about Dolly's income?**

3 A. Dolly had a financial incentive to treat the suspended penalty as a cost of doing
4 business and refused to comply with the Commission's cease and desist order.

5
6 **VIII. DOLLY'S UNFITNESS FOR OPERATING AUTHORITY**

7
8 **Q. How does the Commission determine whether an applicant is fit for operating**
9 **authority?**

10 A. The Commission looks to whether an applicant is willing or able to comply with the
11 public service laws and the Commission's rules and orders.

12
13 **Q. Do Staff believe that Dolly is fit to hold operating authority?**

14 A. No.

15
16 **Q. Why does Staff believe that Dolly is not fit for authority?**

17 A. Simply put, Dolly has shown itself to be either unwilling or unable to follow the laws
18 and the rules required to operate as a household goods carrier. The Commission
19 repeatedly told Dolly that it had failed to comply with the Commission's orders in
20 Docket TV-171212. Dolly failed to conform its conduct to the requirements of law
21 despite the Commission's guidance. That failure shows that Dolly cannot be trusted to
22 do what is required to operate legally as a household goods carrier in the state of
23 Washington.

1 **Q. Does this conclude your testimony?**

2 **A. Yes.**