

Date Received: March ⁴~~5~~, 1998

Docket No.: TV-971477

Company: Amends WAC 480-12, Relating to Household Goods Movers

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98 MAR -4 PM 2:58

MEMO FOR:

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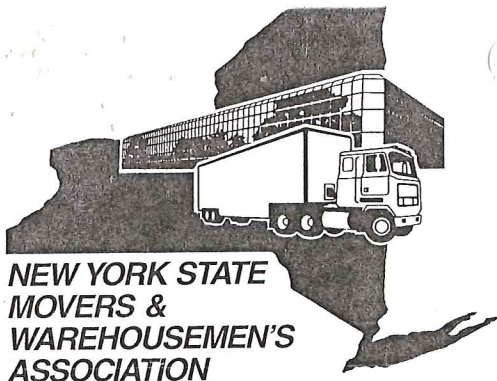
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(From: Jim Tutton)

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NEW YORK STATE
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MOVERS NEWS

The Leading Voice of the Moving and Storage Industry Since 1937

VOL. LXI

NEW YORK, NY — FEBRUARY/MARCH 1998

NO. 1

UNLICENSED BROOKLYN MOVERS PLEAD GUILTY TO HOLDING HOUSEHOLD GOODS "HOSTAGE" UNTIL CUSTOMERS PAID "RANSOM"

— Defendants Fined, Will Make Restitution to 35 Customers —
And Are Barred From Moving Industry

Queens District Attorney Richard A. Brown, joined by State Department of Transportation Commissioner Joseph H. Boardman, announced that two owners of an unlicensed moving company have pleaded guilty to scheming to defraud by demanding "ransom"

to unload customers' possessions from their moving van. The State Department of Transportation, which regulates moving companies, had revoked the license of the Brooklyn-based company, Crystal Moving and Storage, Inc., in September 1996 because of numerous consumer complaints, yet the company had continued to operate illegally.

District Attorney Brown said, "The defendants thought they could defraud their customers with impunity—espe-

"This guilty plea is a perfect illustration of how ... the Department of Transportation is working to crack down on unscrupulous movers."

—Commissioner Boardman

cially immigrant families, elderly people or those who they believed would not contact the authorities. In one case, the agreed-upon price for moving a fam-

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National HHG Registry

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Legislative Update

PAGE 20

LATE NEWS!

CONVENTION GUEST SPEAKER APPOINTED DIRECTOR, DIVISION OF BUDGET!

We have just been informed that Robert L. King, our featured speaker for the May 2nd Annual Dinner, has just been appointed Director of the Division of Budget by Governor George F. Pataki. See story, page 9.

Movers Plead Guilty *continued from page 1*

ily's possessions from Elmhurst to Bellerose was \$700 but the defendants refused to unload their truck unless they were paid over \$5,000 in cash. In another case, the defendants gave an estimate of \$250 for a three-block move in Forest Hills and then demanded a \$1250 "ransom" from the family to return their possessions. However, consumer complaints triggered a vigorous investigation and as a result the defendants have been put out of the moving business for good and must pay restitution to 35 consumers they overcharged and a \$5,000 fine to the Department of Transportation."

Transportation Commissioner Boardman said, "This guilty plea is a perfect illustration of how, under Governor Pataki, the Department of Transportation is working to crack down on unscrupulous movers. The Department is pleased to have been able to work closely with the District Attorney's office to help protect consumers from being ripped off by this company, which had previously had its license revoked. Under Governor Pataki's leadership, the Department has activated a 1-800-Hotline (1-800-786-5368) for consumers to call for moving tips and complaint records. I encourage everyone considering using a moving company to call this number for important consumer information, including whether the company is licensed."

District Attorney Brown said that the company's owners, Shai Liberti, 31, and his wife, Hava Liberti, 37, of 4520 12th Avenue, Brooklyn, pleaded guilty today before Acting State Supreme Court Justice Sheryl L. Parker to Scheming to Defraud in the Second Degree. They were sentenced to pay restitution of \$15,000 to be apportioned to 35 consumers who were overcharged and a \$5,000 fine to the Department of Transportation. The defendants also must return the household goods of several customers. In addition, the defendants will forfeit all of their computer equipment, and moving trucks and may no longer engage in the moving business, either individually or as a business entity. Crystal Moving and Storage had offices at 463 4th Avenue in Brooklyn and a dispatch office at 6520 Booth Street in Forest Hills.

According to the District Attorney, the investigation began on July 8th when the State Department of Transportation received a telephone call from a Bellerose couple whose possessions were loaded on Crystal's truck the day before and then held for an exorbitant ransom—\$5,000—although they had agreed to pay only \$700 for the move. Detectives from the District Attorney's NYPD Squad working with State DOT investigators set up a sting operation. When the defendants called and visited the couple's home to demand additional cash for the move and "storage fees," they were arrested. A court-authorized search warrant was then executed at Crystal Moving's Brooklyn offices and business records seized revealed that within a one-year period over 100 consumers had been overcharged by Crystal Moving.



State of New York Department of Motor Vehicles

NEW YORK IRP REGISTRATION EXTENSION

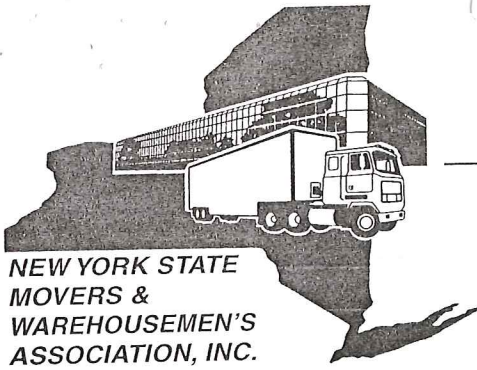
NYS DMV, Empire State Plaza, Albany Ny 12228
RICHARD E. JACKSON, JR. – Commissioner

The Commissioner of the New York State Department of Motor Vehicles has issued a registration extension for all New York IRP registrations.

New York IRP registrations which show a February 28, 1998 expiration date are now valid until April 30, 1998. You must maintain continuous New York State insurance coverage on your vehicle(s) at all times.

DA Brown commended the work of State Department of Transportation investigators James Lamb, Jonathan Nicastro and John Van Tassell and Sergeant Diana Coyne and detectives Henry Chan and Virginia Santevecchi of the District Attorney's NYPD Squad, which is under the supervision of Captain John Stendrini. Assistant District Attorney Diane Peress of District Attorney Brown's Economic Crimes Bureau was assigned to prosecute the case. The District Attorney's Economic Crimes Bureau is headed by Assistant DA Michael J. Mansfield, Bureau Chief and Assistant District Attorney John R. Mechmann, Deputy Chief, and is under the overall supervision of Executive Assistant District Attorney Robert D. Alexander of the overall supervision of Executive Assistant DA Robert D. Alexander of the District Attorney's Investigations Division.

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NEWS FLASH

Editor's Note — The following Press Release, issued Wednesday, February 18, 1998, arrived too late to be included in the current issue of Movers News.

VACCO LISTS FIRST-EVER ACTION AGAINST NOT-SO-RELIABLE "MOVERS"

Attorney General Dennis C. Vacco announced on Wednesday, February 18, 1998, an unprecedented legal action to shut down an illegal moving company that allegedly bilked 58 New Yorkers out of over \$80,000.

In a lawsuit filed jointly with state Transportation Commissioner Joseph H. Boardman, Attorney General Vacco charged Manhattan-based Reliable Movers Inc. and three other corporations with deceptive, illegal and fraudulent moving practices.

The case is the first ever filed against a moving company in New York State.

Reliable Movers advertised in Yellow Pages, newspapers, and flyers for "low cost, licensed and insured" moving services. But, they routinely gave consumers low-ball cost estimates, many times without even examining the consumer's property, Attorney General Vacco said.

Contrary to their ads, the movers often padded the bills with huge undisclosed fees for unnecessary packing materials and dragged their heels on moves in order to increase per-hour fees, Attorney General Vacco said.

"Under Governor Pataki's leadership, the Department of Transportation is working with legal authorities to crack-down on illegal movers who are seeking to rip-off customers," State Transportation Commissioner Joseph H. Boardman said.

"I applaud Attorney General Vacco for being the first Attorney General in New York's history to bring charges against an illegal mover," Commissioner Boardman said.

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In some cases, Reliable had the gall to demand involuntary gratuities as part of their bill and, when it was time to unload the van, these scam artists demanded full payment of bills that were often many times what they had estimated, Attorney General Vacco said.

To coerce consumers into paying these outrageous bills, the movers regularly threatened to drive away with all the consumers' household possessions unless paid in full on the spot.

Adding injury to insult, these "movers" often mishandled consumers' property in such a reckless manner as to damage or destroy many items, as well as the homes and apartments where the moving took place.

Most consumers' attempts to claim payment for damages were in vain because the movers had no insurance. Those consumers who sued the movers and won small claims judgments were never paid.

When Reliable Movers first ripped consumers off in this manner, DOT investigators received numerous complaints, which resulted in DOT assessing huge civil penalties against this company, and terminating its probationary moving license.

However, the same con men used a number of different company names including A Reliable Moving and Storage Corporation and A American Express Movers, Inc. that secretly involved the same bad actors as Reliable Movers and A Reliable Moving & Storage.

When DOT uncovered this subterfuge, it revoked A American's license on January 31, 1997. Since then, these crooked movers have operated without any license, using the corporate name People Moving, Inc. and most recently, Paragon Van Lines.

Attorney Vacco's lawsuit charges each of the four moving companies, plus five individuals—Dimitri Yunoshkin, Anatoly Lofe, Yury Lofe, Vadim Stephan and Igor Drikhno—with violating a dozen state and federal laws and regulations governing how moving companies may operate.

In addition, the suit charges that the movers engaged in fraudulent business practices and false advertising, with a total of 13 separate counts in the petition.

Although most moving companies are licensed and obey the law, there are a handful of bad apples who can cause enormous economic and emotional harm to unwary victims, Attorney General Vacco said.

"The Pataki Administration has implemented a toll-free hotline (1-800-786-5388) to provide important consumer information, including moving tips and whether a particular mover is licensed," Commissioner Boardman said. "The Department of Transportation is pleased to work with the Attorney General to help protect consumers from unscrupulous moves." □