

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKET TV-140643
)	
Complainant,)	COMPLAINT
)	
v.)	
)	NOTICE OF PREHEARING
STARVING STUDENTS, INC.,)	CONFERENCE
)	(Set for Monday, October 6, 2014, at
Respondent.)	1:30 p.m.)
)	
.....)	

1 The Washington Utilities and Transportation Commission (Commission), on its own motion, and through its Staff, alleges as follows:

I. BACKGROUND

2 On December 13, 2013, Washington Utilities and Transportation Commission Staff (Staff) initiated a compliance investigation into the business practices of Starving Students, Inc. (Starving Students or Company).

3 During its investigation, Staff reviewed 651 moves conducted by Starving Students between June 1 and August 31, 2013. The documents reviewed included estimates, bills of lading, tables of measurements (cube sheets), and receipts for customer payment transactions. Staff also reviewed claims filed against the Company during the review period. Staff found multiple violations of state laws and Commission rules, as described below.

II. PARTIES

4 The Washington Utilities and Transportation Commission is an agency of the state of Washington, authorized by RCW Chapter 81.80 to regulate companies that transport household goods within the state of Washington.

5 Starving Students, Inc. is a household goods carrier subject to regulation by the
Commission under RCW Chapter 81.80.

III. JURISDICTION

6 The Commission has jurisdiction over this matter pursuant to RCW 81.04.070, RCW
81.04.110, RCW 81.04.230, RCW 81.80.130, RCW 81.80.330, RCW Chapter 81.80,
and WAC Chapter 480-15.

IV. FIRST CAUSE OF ACTION (Violation of WAC 480-15-630, failure to provide written estimate and supplemental estimate)

7 The Commission, through its Staff, realleges the allegations contained in paragraphs
2-6 above.

8 WAC 480-15-630 requires household goods carriers to provide a written estimate to
every customer prior to conducting a move.

9 WAC 480-15-630(3) requires household goods carriers to provide a supplemental
estimate if the circumstances surrounding the move change in a way that causes rates
or charges to increase.

10 Starving Students violated WAC 480-15-630 by failing to provide a written estimate
to 40 customers prior to the move. This results in 40 separate and distinct violations.

11 Starving Students violated WAC 480-15-630(3) by failing to provide supplemental
estimates to 62 customers when the circumstances surrounding the move changed in a
way that caused charges to increase. This results in 62 separate and distinct violations.

V. SECOND CAUSE OF ACTION (Violations of WAC 480-15-630(7) and Tariff 15-C, Item 85, failure to properly complete estimates)

12 The Commission, through its Staff, realleges the allegations contained in paragraphs
2-11 above.

13 WAC 480-15-630(7) requires that the carrier must complete estimates as required by
the Commission's published tariff.

- 14 Tariff 15-C, Item 85(2)(c) requires that all estimates include a space for the customer to sign or initial as acknowledgement of receipt of the brochure “Your Guide to Moving in Washington State.”
- 15 Tariff 15-C, Item 85(2)(d) requires that all estimates include the customer’s name, phone number and address.
- 16 Tariff 15-C, Item 85(2)(f) requires that all estimates include origin, destination, and any intermediate stops for the shipment.
- 17 Tariff 15-C, Item 85(2)(i) requires that all estimates for local moves include the number of carrier personnel and vehicles that will be used, the number of hours each will be involved in the move and associated rates and charges.
- 18 Tariff 15-C, Item 85(2)(j) requires that all estimates for long distance moves include the mileage between the origin, destination, and intermediate stops as well as associated rates and charges.
- 19 Tariff 15-C, Item 85(2)(m) requires that all estimates include charges for loss or damage protection coverage.
- 20 Tariff 15-C, Item 85(2)(p) and Item 85(2)(q) require that all estimates contain information relating to whether the estimate is binding or non-binding.
- 21 WAC 480-15-630(8) and Tariff 15-C, Item 85(2)(s) require that all estimates be signed and dated by the carrier and the customer, specifically to include signatures of the carrier personnel completing the form and the customer and the dates each signed.
- 22 Starving Students violated WAC 480-15-630(7) and Tariff 15-C, Item 85 by failing to properly complete estimate forms in accordance with the tariff requirements listed in paragraphs 14 through 20 above on 189 occasions reviewed by Staff. This results in 189 separate and distinct violations.
- 23 Starving Students violated WAC 480-15-630(8) and Tariff 15-C, Item 85(2)(s) by failing to obtain signatures and the signature dates of carrier personnel and/or the customer on the estimate form on 63 occasions reviewed by Staff. This results in 63 separate and distinct violations.

VI. THIRD CAUSE OF ACTION
(Violation of WAC 480-15-490(3) and Tariff 15-C, Items 85(2)(p) and (q),
and RCW 81.80.132, charging in excess of Commission-allowed
percentages for binding and non-binding estimates)

- 24 The Commission, through its Staff, realleges the allegations contained in paragraphs 2-23 above.
- 25 WAC 480-15-490(3) requires that household goods carriers follow the terms, conditions, rates and all other requirements imposed by the Commission's published tariff. When an estimate is completed, customers must choose either a binding or non-binding estimate.
- 26 RCW 81.80.132 provides: "When a common carrier gives an estimate of charges for services in carrying household goods, the carrier will endeavor to accurately reflect the actual charges. The carrier is subject to a monetary penalty not to exceed one thousand dollars per violation when the actual charges exceed the percentages allowed by the Commission."
- 27 Tariff 15(c), Item 85(2)(p) requires that a binding estimate be a guarantee of the cost of the move and that the carrier will not charge above the estimated charges without preparing a supplemental estimate.
- 28 Tariff 15-C, Item 85(2)(q)(iv) provides that a customer who receives a non-binding estimate is not required to pay more than 125 percent of the estimate regardless of the total cost unless the carrier issues and the customer accepts a supplemental estimate.
- 29 Starving Students violated RCW 81.80.132, WAC 480-15-490(3), and Tariff 15-C, Item 85(2)(p) on 24 occasions by charging customers more than their binding estimate without providing a supplemental estimate. This results in 24 separate and distinct violations.
- 30 Starving Students violated RCW 81.80.132, WAC 480-15-490(3) and Tariff 15-C, Item 85(2)(q)(iv) on 38 occasions by charging customers more than 125 percent of the original non-binding estimate without providing a supplemental estimate. This results in 38 separate and distinct violations.
- 31 The violations alleged in paragraphs 29 and 30 above resulted in customer overcharges of approximately \$8,273.00.

VII. FOURTH CAUSE OF ACTION
(Violation of WAC 480-15-710 and various sections of Tariff 15-C,
Item 95, failure to properly complete bills of lading)

- 32 The Commission, through its Staff, realleges the allegations contained in paragraphs 2-31 above.
- 33 Under WAC 480-15-710(2), household goods carriers must issue a completed bill of lading with every move. WAC 480-15-710(3) further requires that the bill of lading must include all of the requirements listed in the Commission-published tariff.
- 34 Commission-published Tariff 15-C, Item 95(1) requires that both the carrier and the customer must sign and date the bill of lading.
- 35 Tariff 15-C, Item 95(1)(b) requires that all bills of lading include the customer's telephone number.
- 36 Tariff 15-C, Item 95(1)(e) requires that all bills of lading include the exact address of the destination of the move.
- 37 Tariff 15-C, Item 95(1)(h) requires that all bills of lading include a separate section of the form that indicates whether the associated estimate is binding or non-binding.
- 38 Tariff 15-C, Item 95(1)(k) requires that all bills of lading include a section, as described in the Tariff, where the customer must select, by signing his or her initials, the type of loss and damage protection for the shipment.
- 39 Starving Students violated WAC 480-15-710(3) and Tariff 15-C, Item 95 on 383 occasions because the Company failed to complete its bills of lading with the five requirements set forth in paragraphs 34 through 38 above. This results in 383 separate and distinct violations.

VIII. FIFTH CAUSE OF ACTION
(Violation of WAC 480-15-710(3) and Tariff 15-C, failure to properly
complete bills of lading as required by the Commission's published
tariff, with respect to long distance (mileage-rated) moves)

- 40 The Commission, through its Staff, realleges the allegations contained in paragraphs 2-39 above.

- 41 WAC 480-15-710(3) requires that household goods carriers include the information on the bill of lading as described in the Commission-published tariff.
- 42 For long distance (mileage-rated) moves, defined as moves of more than 55 miles, charges are calculated in part based on the mileage and weight of the shipment.
- 43 Commission-published Tariff 15-C, Item 115(5) requires that carriers must maintain all weight tickets or documentation of the calculation of weight with the bill of lading.
- 44 Tariff 15-C, Item 95(1)(L)(ii) requires that, for long distance (mileage-rated) moves, the bill of lading must include the net weight of the shipment, either by constructive or actual weight as evidenced by documentation of the constructive weight calculation or the actual weight ticket.
- 45 Starving Students violated WAC 480-15-710(3) and Tariff 15-C by failing to maintain weight tickets for 10 moves and by failing to accurately document long distance calculations on the bills of lading for three moves. This results in 13 separate and distinct violations.

IX. SIXTH CAUSE OF ACTION
(Violation of WAC 480-15-490(3), and Tariff 15-C, failure
to follow rates, terms, and conditions set forth in Commission's
published tariff, with respect to hourly-rated moves)

- 46 The Commission, through its Staff, realleges the allegations contained in paragraphs 2-45 above.
- 47 WAC 480-15-490(3) requires household goods carriers to follow the rates, terms, and conditions authorized in the Commission-published tariff.
- 48 For hourly-rated moves, Commission-published Tariff 15-C, Item 230(2) requires that carriers require employees to record breaks and interruptions. The customer must not be charged for breaks and interruptions caused by the carrier's personnel.
- 49 WAC 296-126-092 requires that employers give breaks to employees for any time worked in excess of five hours.
- 50 Starving Students violated WAC 480-15-490(3) and Tariff 15-C, Item 230(2) on 61 occasions by failing to record on bills of lading the breaks or interruptions by company employees that presumably occurred in accordance with WAC 480-296-126-092. This results in 61 separate and distinct violations.

51 The violations alleged in paragraph 50 resulted in customers being improperly charged for time spent on breaks and interruptions, and total overcharges of approximately \$3,016.00.

X. APPLICABLE LAW

52 A public service company that violates any order or rule of the Commission or any provision of RCW Title 81 is subject to a penalty up to \$1,000 for each violation. RCW 81.04.380. In the case of a continuing violation, every day's continuance represents a separate and distinct violation. *Id.*

53 Under RCW 81.04.230, if the Commission finds that the public service company charged an amount for any service rendered in excess of the lawful rate in force at the time such charge was made, the Commission may order that the public service company refund the amount of overcharges.

XI. REQUEST FOR RELIEF

54 Staff requests that the Commission find that Starving Students committed violations of Commission rules and state laws set forth in the allegations above.

55 Staff requests that the Commission, pursuant to its authority under RCW 81.04.380, impose monetary penalties on Starving Students for violations of Commission rules and state laws.

56 Staff requests that the Commission require the Company to refund excess charges to customers issued binding and non-binding estimates and excess charges to customers for breaks or interruptions they were charged for, as set forth in the allegations above.

57 Staff further requests that the Commission order such other or further relief as appropriate under the circumstances.

XII. PROBABLE CAUSE

58 Based on a review of Staff's investigation report and all supporting documents, and consistent with RCW 80.01.060 and WAC 480-07-307, the Commission finds probable cause exists to issue this complaint.

XIII. NOTICE OF PREHEARING CONFERENCE

59 The COMMISSION GIVES NOTICE That it will hold a prehearing conference in this matter at 1:30 p.m., on Monday, October 6, 2014, in Room 206, the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.

60 The Commission will hear this matter under the Administrative Procedure Act (APA), particularly Part IV of RCW 34.05 relating to adjudications. The provisions of the APA that relate to this proceeding include, but are not limited to RCW 34.05.413, RCW 34.05.431, RCW 34.05.434, RCW 34.05.440, RCW 34.05.449, and RCW 34.05.452. The Commission will follow its procedural rules in WAC 480-07 in this proceeding.

61 The purpose of the prehearing conference is to consider requests for intervention, resolve scheduling matters including establishing dates for distributing evidence and workpapers, to identify the issues in the proceeding and determine other matters to assist the Commission in resolving the matter, as listed in WAC 480-07-430.

62 **INTERVENTION:** Persons who wish to intervene should file a petition to intervene in writing at least three business days before the date of the prehearing conference. *See* WAC 480-07-355(a). The Commission will consider oral petitions to intervene during the conference, but strongly prefers written petitions to intervene. Party representatives must file a notice of appearance with the Commission no later than the business day before the conference. *See* WAC 480-07-345(2).

63 Any party or witness in need of an interpreter or other assistance should fill out the form attached to this notice and return it to the Commission. The Commission will set the time and place for any evidentiary hearings at the prehearing conference, on the record of a later conference or hearing session, or by later written notice.

64 **The COMMISSION GIVES NOTICE that any party who fails to attend or participate in the prehearing conference set by this Notice, or any other stage of this proceeding, may be held in default under RCW 34.05.440 and WAC 480-07-450.**

65 The names and mailing addresses of all parties and their known representatives are as follows:

Complainant: Washington Utilities and Transportation
Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250
(360) 664-1160

Representative: Michael A. Fassio
Assistant Attorney General
1400 S. Evergreen Park Drive SW
P.O. Box 40128
Olympia, WA 98504-0128
(360) 664-1192
mfassio@utc.wa.gov

Respondent: Starving Students, Inc.
1850 Sawtelle Blvd. Suite #300
Los Angeles, CA 90025
(908) 268-3685

66 Administrative Law Judge Rayne Pearson, from the Commission's Administrative Law Division, will preside during this proceeding

67 The Commission will give parties notice of any other procedural phase of the proceeding in writing or on the record, as appropriate during this proceeding.

DATED at Olympia, Washington, and effective September 8, 2014.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

GREGORY J. KOPTA
Administrative Law Judge
Director, Administrative Law Division

PLEASE NOTE: The hearing facilities are accessible to interested people with disabilities; that smoking is prohibited; and, if limited English-speaking or hearing-impaired parties or witnesses are involved in a hearing and need an interpreter, a qualified interpreter will be appointed at no cost to the party or witness.

The information needed to provide an appropriate interpreter or other assistance should be stated below and returned to Washington Utilities and Transportation Commission, Attention: Steven V. King, 1300 S. Evergreen Park Drive SW, P.O. Box 47250, Olympia, WA 98504-7250. (PLEASE SUPPLY ALL REQUESTED INFORMATION)

Docket: _____

Case Name: _____

Hearing Date: _____ Hearing Location: _____

Primary Language: _____

Hearing Impaired: (Yes)_____ (No)_____

Do you need a certified sign language interpreter?:

Visual_____ Tactile_____

Other type of assistance needed: _____

English-speaking person who can be contacted if there are questions:

Name: _____

Address: _____

Phone No.: (____)_____