



Investigation Report

JFS Transport, Inc. d/b/a Coast Movers

TV-180315

Michael Turcott
Compliance Investigations

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Table of Contents

Purpose, Scope, and Authority.....	3
Executive Summary.....	4
Background.....	5
Investigation.....	8
Tariff Rates.....	9
Estimates.....	12
Table of Measurements.....	12
Consumer Guide.....	13
Bills of Lading.....	13
Complaints and Claims.....	14
Advertising.....	16
Summary of Recommendations.....	17
Appendices.....	21

PURPOSE, SCOPE, AND AUTHORITY

Purpose

JFS Transport, Inc. d/b/a Coast Movers (JFS Transport or company) holds a permit issued by the Washington Utilities and Transportation Commission (commission) to transport household goods within the state of Washington. The purpose of this investigation is to determine the company's compliance with Washington state laws and commission rules as they pertain to household goods movers.

Scope

This investigation focuses on the intrastate transportation of household goods in Washington by JFS Transport between the dates of Feb. 1, 2017, and April 30, 2017, and the company's compliance with state laws and commission rules during that period.

Authority

Staff conducts this investigation pursuant to Revised Code of Washington (RCW) 80.01.040, RCW 81.04.070, RCW 81.80.130, and RCW 81.80.330. Washington Administrative Code (WAC) 480-15-010 describes the commission's authority to regulate companies that transport household goods within the state of Washington.

Staff

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EXECUTIVE SUMMARY

Staff initiated this investigation as the result of a consumer's informal complaint submitted to the commission on March 20, 2017. The informal complaint alleged that JFS Transport failed to provide a written estimate, failed to provide copies of required paperwork to the consumer, and failed to respond to a claim of damaged household goods in connection with a regulated household goods move. Based on this complaint and a previous complaint about the company's business practices, staff determined that an investigation was warranted.

Staff reviewed 45 individual moves conducted by JFS Transport between Feb. 1, 2017, and April 30, 2017. Staff found JFS Transport in violation of the following state laws, rules, and Household Goods Tariff 15-C:

- Charging customers for services not allowed under Tariff 15-C in violation of WAC 480-15-490(3);
- Charging customers rates in excess of those allowed under Tariff 15-C in violation of WAC 480-15-490;
- Charging hourly-move customers a three-hour minimum in violation of WAC 480-15-490 and Tariff 15-C, item 230(3);
- Failure to provide written estimates in violation of WAC 480-15-630 and Tariff 15-C, Item 85(1);
- Failure to complete a Table of Measurements (cube sheet inventory) in violation of WAC 480-15-630, Tariff 15-C, Item 85(g);
- Failure to provide customers the *Consumer Guide - Moving in Washington State* (consumer guide) in violation of WAC 480-15-620 and Tariff 15-C, Item 85(c);
- Failure to properly fill out bills of lading in violation of WAC 480-15-710 and Tariff 15-C, Item 95;
- Failure to provide the customer with the information and forms necessary to file a complaint or claim in violation of WAC 480-15-800(1); and
- Failure to comply with advertising requirements in violation of WAC 480-15-610(1).

Commission staff previously provided technical assistance to JFS Transport regarding advertising, providing the consumer guide, written estimates, and valuation. Commission staff also investigated an informal consumer complaint against the company in 2016 regarding related business practices.

Recommendations

Staff recommends the commission issue a formal complaint and assess a total penalty of up to \$24,100 for the following violations:

- Up to \$3,600 for each of the 36 customers charged for services or items not authorized by Tariff 15-C, in violation of WAC 480-15-490(3);

- Up to \$800 for each of the eight customers charged amounts in excess of the tariff rate band, in violation of WAC 480-15-490 and Tariff 15-C, Item 230(6);
- Up to \$1,200 for each of the 12 moves in which a customer was charged a three-hour minimum, in violation of WAC 480-15-490 and Tariff 15-C, Item 230(3);
- Up to \$4,500 for each of the 45 customers who did not receive written estimates in violation of WAC 480-15-630 and Tariff 15-C, Item 85(1);
- Up to \$4,500 for each of the 45 occurrences of failure to complete a cube sheet inventory for each customer in violation of WAC 480-15-630 and Tariff 15-C, Item 85(1);
- Up to \$4,500 for each of the 45 customers who did not receive the consumer guide in violation of WAC 480-15-620 and Tariff 15-C, Item 85(c);
- Up to \$4,500 for each of the 45 customers who received an incomplete bill of lading in violation of WAC 480-15-710 and Tariff 15-C, Item 95;
- Up to \$200 for each of the two violations related to handling of customer claims or complaints in violation of WAC 480-15-800; and
- Up to \$300 for each of the three violations of failure to comply with advertising requirements in violation of WAC 480-15-610.

Staff also recommends that the commission order JFS Transport to:

- Issue refunds to consumers charged for services not allowed by Tariff 15-C, including overweight freight charges, sales tax, drop-off charges, and fuel fees in the amount of \$3,031.27;
- Issue refunds in the amount of \$293.23 to eight consumers who were charged rates that exceeded the tariff rate band in violation of WAC 480-15-490 and Tariff 15-C, Item 230(6); and
- Attend the commission’s free household goods training within 120 days of the conclusion of this case. (Mr. Sheridan last attended household goods training on Oct. 12, 2011.¹)

BACKGROUND

Company Background

On Oct. 18, 2011, the commission granted permanent household goods moving authority to Jonathon Sheridan d/b/a JFS Transport. Mr. Sheridan was listed on the application as the sole owner of JFS Transport. On Aug. 23, 2012, Mr. Sheridan registered with Washington’s Secretary of State under the name JFS Transport, Inc. On Aug. 30, 2012, in Docket TV-121441, Mr. Sheridan filed with the commission a request to transfer permanent authority from JFS Transport to JFS Transport, Inc., and to add Olivia Sheridan as 50 percent owner. On March 26, 2014, in Docket TV-140486, the commission amended its records to reflect these changes. The company’s physical address is 14840 Highway 106, Belfair, WA 98528.

¹ See Appendix A for a copy of household goods training roster.

JFS Transport reported gross annual revenue as depicted below:

Year	Revenue
2016	\$135,000
2015	\$120,000
2014	\$75,000

Compliance and Licensing History

The commission has taken the following licensing and enforcement actions since granting permanent authority to JFS Transport in 2011:

- On Jan. 17, 2012, in Docket TV-120943, the commission suspended JFS Transport's permit for failure to file proof of liability and property damage insurance. The commission lifted this suspension on Feb. 17, 2012.
- On July 24, 2012, the commission assessed a \$450 penalty against JFS Transport in Docket TV-120943 for failure to file an annual report and pay regulatory fees in a timely manner. On Oct. 31, 2012, the commission suspended half of the penalty, and the Company paid the remaining balance on April 17, 2013.
- On July 31, 2012, in Docket TV-121246, the commission suspended JFS Transport's permit for failure to file proof of liability and property damage insurance.
- On Aug. 30, 2012, the commission received an application to transfer authority from Jonathan Sheridan, d/b/a JFS Transport, to JFS Transport, Inc. The commission approved the transfer and on Sept. 7, 2012, granted authority to JFS Transport, Inc.
- On Sept. 6, 2013, the commission suspended JFS Transport's certificate in Docket TV-131657 for failure to file proof of liability and property damage insurance. The commission lifted the suspension on Sept. 16, 2013.
- On Dec. 10, 2013, the commission suspended the company's permit in Docket TV-132247 for failure to file proof of liability and property damage insurance and canceled its permit on Jan. 13, 2014. JFS Transport applied for reinstatement and the commission granted its request on Feb. 28, 2014 (Docket TV-140269).
- On April 28, 2014, in Docket TV-140730, the commission suspended JFS Transport's permit for failure to file proof of liability and property damage insurance. The Commission lifted the suspension on May 9, 2014.
- On May 29, 2015, the commission penalized JFS Transport \$100 in Docket TV-150911 for failure to file an annual report and pay regulatory fees in a timely manner.

Technical Assistance

On July 14, 2014, commission staff provided technical assistance to JFS Transport for failing to include its commission-issued permit number and physical address on its advertisements as required by WAC 480-15-610.²

On Nov. 17, 2015, commission staff provided technical assistance related to valuation requirements, and recommended that Mr. Sheridan attend the commission’s free household goods training.

March 2016 Consumer Complaint CAS-08562-Y5T5H9

On March 22, 2016, a consumer filed an informal complaint with the commission against JFS Transport alleging that he had not received required paperwork regarding his move. The consumer stated that JFS Transport did not give him a choice in valuation options and did not provide the consumer guide. The consumer reported he had some items damaged as a result of the move and the company was attempting to reimburse him \$.60 per pound. Upon conclusion of the investigation, staff recorded five rule violations and provided technical assistance for each, as follows:³

WAC 480-15-710 and Tariff 15-C, Item 95(1)	1 violation: failing to provide the customer with a bill of lading.
WAC 480-15-630 and Tariff 15-C, Item 85(1)	1 violation: failing to provide a written estimate.
WAC 480-15-620(1)	1 violation: failing to provide customer a copy of “Consumer Guide to Moving in Washington State.”
WAC 480-15-490 and Tariff 15-C, Item 90(9)(b)	1 violation: failing to follow Tariff 15-C regarding default valuation. Company selected option 1 Basic Coverage. Option 2 is the default option when customer fails to select a valuation.
WAC 480-15-890(2)	2 violations: failing to respond to commission’s additional question within the 5 day rule.

As a result of this technical assistance, staff again recommended that Mr. Sheridan attend the commission’s free household goods training.

March 2017 Consumer Complaint CAS-20744-C4B7K4

On March 20, 2017, a consumer filed an informal complaint with the commission against JFS Transport alleging that the company provided a verbal estimate over the telephone and failed to

² See Appendix B for a copy of the compliance letter, July 14, 2014.

³ See Appendix C for a copy of consumer complaint CAS-085662-Y5T5H9.

provide any of the required paperwork related to the move. The consumer stated that the company did not respond to his reports of damage to his household goods. Upon conclusion of the investigation, staff recorded three rule violations and provided technical assistance for the violations noted below.⁴ These violations are repeat violations:

WAC 480-15-630 and Tariff 15-C, Item 85(2)	1 violation: failing to provide the consumer a written estimate.
WAC 480-15-710(2) and Tariff 15-C, Item 95(1)	1 violation: failing to provide consumer with a copy of the bill of lading.
WAC 480-15-620(1) and Tariff 15-C, Item 85(2)(c)	1 violation: failing to provide consumer with a copy of the consumer guide.

Staff again recommended that Mr. Sheridan attend the commission’s free household goods training.

INVESTIGATION

Data Request

On May 5, 2017, commission staff requested the following records and information from JFS Transport:⁵

1. For every residential move performed within the state of Washington from February 1, 2017, through April 30, 2017, all original supporting documents related to each customer’s move, including, but not limited to the bills of lading, estimate, supplemental estimate, inventory records, weight slips, and all documents related to temporary storage of goods;
2. A copy of the company’s customer complaint and claims register, listing all complaints and claims received from February 1, 2017, through April 30, 2017, and including all documents related to each complaint and claim; and
3. The name, title, telephone number, and email address of the contact person for staff to work with directly regarding this request.

Staff requested JFS Transport respond by May 19, 2017. On May 17, 2017, Mr. Sheridan left staff a voice message asking to send the requested documents by email. Staff attempted to return Mr. Sheridan’s phone call on May 19 and May 22, 2017, and left a voice mail each time. Mr. Sheridan called staff on May 22, 2017, and stated he was unaware he was required to complete a Table of Measurement (Cube Sheet) or a written estimate for each household goods move. Mr. Sheridan told staff that he only provides consumers with a bill of lading. Staff requested Mr. Sheridan provide all documents pertaining to each residential household goods moves performed

⁴ See Appendix D for a copy of consumer complaint CAS-20744-C4B7K4.

⁵ See Appendix E for a copy of the Data Request, dated May 5, 2017.

during the requested timeframe. Mr. Sheridan confirmed he would send staff the requested documents.⁶

Between May 22 and August 31, 2017, staff reviewed the documents provided by Mr. Sheridan to assess the company’s compliance with required business practices. Of the 46 moves for which the company submitted documents, one was non-jurisdictional. On July 12, 2017, Mr. Sheridan stated, “that he charged each of the 45 household goods moves reviewed by the hour and by what the consumer wants.”⁷

Tariff Rates

WAC 480-15-490 requires household goods carriers to follow the terms, conditions, rates, and all other requirements published by the commission in Tariff 15-C. Pursuant to Tariff 15-C, Item 230, the company is allowed to charge consumers any amount within the rate band. Under Tariff 15-C, Item 205, hourly rates include use of vehicle, equipment, and labor for receiving and/or delivering household goods. Accordingly, the company may charge for operational expenses such as fuel, taxes, etc.; however, the cost to the consumer for these items must be incorporated into the hourly rate and may not be billed as a separate line item.

Of the 45 moves reviewed, staff identified 36 occasions when JFS Transport charged for items and services not allowed by Tariff 15-C in violation of WAC 480-15-490 and Tariff 15-C, Item 230(6) as shown in the table below:⁸

These 36 customers were charged for:

- Sales tax (26 occurrences);
- Fuel (eight occurrences); and
- Overweight, packing materials, and junk drop-off (twelve occurrences).

JFS Transport also charged eight consumers in excess of the allowed tariff rate.

Date	Consumers/moves with billing violations (36)	Sales Tax Charges (26)	Fuel Charges (8)	Overweight and Non-Tariff Item Charges (12)	Charges Over Tariff Rate (8)
1	2/2/2017	Childers	\$103.40		\$50
2	2/3/2017	Cummings	\$14.40		
3	2/4/2017	Ladd	\$123		\$50
4	2/5/2017	O’Neill	\$44.80		\$40.11
5	2/7/2017	Swanton	\$136.80		
6	2/8/2017	Kingsborough	\$32.80		
7	2/12/2017	Marowitz	\$94.40		\$100

⁶ See Appendix F for Rachel Jones’s phone conversation with JFS on May 22, 2017.

⁷ See Appendix G for Rachel Jones’s phone conversation with JFS on July 12, 2017.

⁸ See Appendix H for copies of customer invoices.

	Date	Consumer	Sales Tax Fees Charged	Fuel Fee Charged	Overweight Fee and non-tariff items	Charges over the Tariff Rate Band
8	2/13/2017	Anderson	\$323.86	\$75		
9	2/16/2017	Bowers	\$32.80			
10	2/18/2017	Parker	\$69.60			
11	2/20/2017	Marowitz	\$30.50	\$55		
12	2/20/2017	Lee		\$45		
13	2/27/2017	Jones	\$61.20		\$50	
14	3/1/2017	Harris	\$24.80	\$45		
15	3/2/2017	Longtin	\$55		\$50	\$25.94
16	3/5/2017	Adams	\$116.41			
17	3/8/2017	Rodgers				\$40.11
18	3/15/2017	Ebright	\$60.80		\$50	
19	3/19/2017	Hansen	\$154			
20	3/19/2017	Bird		\$45		
21	3/29/2017	Jones				\$83.34
22	3/30/2017	Larson	\$24.80	\$45		
23	3/31/2017	Stephens	\$38.80	\$65		
24	4/3/2017	Pasic	\$69.20			
25	4/4/2017	Fox		\$25	\$50	
26	4/6/2017	Cornforth	\$69.60			
27	4/7/2017	Keeling			\$50	\$25.94
28	4/7/2017	Blake			\$50 \$50-packing materials	
29	4/8/2017	Warner	\$51			\$25.94
30	4/14/2017	Okunami	\$47.90			\$45.14
31	4/15/2017	Smith			\$75-Drop off fee	
32	4/17/2017	Wallingford	\$63.40			
33	4/19/2017	Sparks			\$50	
34	4/22/2017	Foor	\$46.10			
35	4/22/2017	Susaz				\$6.71
36	4/23/2017	Cho	\$66.90			
	Total		\$1,956.27	\$400	\$675	\$293.23

Tariff 15-C, Item 230(7), requires carriers to charge a minimum of one hour, Monday through Friday, between 8:00 a.m. and 5:00 p.m. and requires carriers to charge a four hour minimum for hours outside of regular business hours, including Saturdays, Sundays, or state-recognized holidays. JFS Transport improperly charged 12 customers for a three-hour minimum in violation of Tariff 15-C, Item 230(3), as follows:⁹

	Name	Date
1	Cummings	2/3/2017
2	Harris	3/1/2017
3	Senton	3/8/2017
4	Fox	4/4/2017
5	Keeling	4/4/2017
6	Cornforth	4/6/2017
7	Okunami	4/14/2017
8	Wallingford	4/17/2017
9	Sparks	4/19/2017
10	Kasza	4/19/2017
11	Foor	4/22/2017
12	Cho	4/23/2017

Tariff 15-C, Item 105 requires long distance rates, which are based on the weight of the goods being transported, to apply to moves that are more than 55 miles between the origin and destination addresses, and carriers may only charge for the mileage between those two points. Carriers must use a mileage guide that calculates mileage using the most current version of the Household Goods Carriers Bureau Mileage guide to determine mileage or other mileage calculation software, such as Rand McNally’s Mile Maker.

Staff reviewed two consumers’ bill of lading documents that showed hourly rate charges on a long distance move. Because the company failed to record the weight of the household goods, staff is unable to determine if the consumers were overcharged.¹⁰

Findings

JFS Transport incorrectly charged consumers \$3,324.50 in various fees for 36 of the 45 moves reviewed, in violation of WAC 480-15-490 and Tariff 15-C, Items 205 and 230. Staff also found the company charged eight consumers in excess of the hourly rate, and 12 customers were charged for a three-hour minimum, which violates Tariff 15-C, Items 230(3) and 230(6), respectively.

⁹ See Appendix I for copies of customers’ bills of lading showing a three-hour minimum charge.

¹⁰ See Appendix J for a copy of customers’ bills of lading showing hourly rate charges on long distance moves.

Recommendations

Staff recommends a penalty up to \$100 for each of the following 56 violations:

- Thirty-six violations for charging 36 customers for non-tariff items in violation of WAC 480-15-490 and Tariff 15-C, Item 230;
- Eight violations for charging eight customers in excess of the allowed tariff rate in violation of WAC 480-15-490 and Tariff 15-C, Item 230; and
- Twelve violations for charging twelve customers a three-hour minimum in violation of Tariff 15-C, Item 230(3).

Staff recommends a total penalty of up to \$5,600 for these violations.

Additionally, staff recommends the commission require JFS Transport refund customers in the amount of \$3,324.50 for the improper charges the company collected in violation of WAC 480-15-490(3) and Tariff 15-C, Items 205 and 230.

Estimates

WAC 480-15-630 requires carriers to provide a written estimate to every customer prior to a move. Preliminary verbal estimates are allowed, but a written estimate based on a visual inspection is required before a carrier performs a move. Written estimates protect consumers from deceptive business practices and hidden charges.

Of the 45 moves reviewed, not a single written estimate was provided as required by WAC 480-15-630 and Tariff 15-C, Item 85. This is a repeat violation.

Findings

Staff found 45 moves in which JFS Transport failed to provide written estimates in violation of WAC 480-15-630 and Tariff 15-C, Item 85. This has been an ongoing issue with JFS Transport. Staff documented these violations in complaints CAS-08562-Y5T5H9 (March 2016) and CAS-20744-C4B7K4 (March 2017), and provided technical assistance.

Recommendation

Staff recommends a penalty of up to \$100 for each of the 45 violations:

- 45 violations for not providing or completing a written estimate for each customer in violation of WAC 480-15-630 and Tariff 15-C, Item 85.

Staff recommends a total penalty of up to \$4,500 for these violations.

Cube Sheet Inventory

WAC 480-15-630(5) prohibits a carrier from conducting a move until it has visually inspected the goods to be shipped and provided the customer with a household goods table of measurements (cube sheet inventory). There is an exception for customers who complete a web site calculation or hard-copy calculation sheet. Staff has addressed this issue with the company through previous technical assistance.

Out of the 45 moves reviewed, not a single cube sheet inventory was completed as required by WAC 480-15-630(5) and Tariff 15-C, Item 85(1) and (2)(g). This is a repeat violation.

Findings

Staff finds that JFS Transport failed to complete a cube sheet inventory for 45 consumers.

Recommendation

Staff recommends a penalty up to a \$100 for each of the 45 violations:

- 45 violations for failing to provide a cube sheet inventory to each customer in violation of WAC 480-15-630 and Tariff 15-C, Item 85(2)(g). This is a repeat violation.

Staff recommends a total penalty of up to \$4,500 for these violations.

Consumer Guide

WAC 480-15-620(1) requires carriers give each customer a copy of the commission's consumer guide, which provides information about consumers' rights and responsibilities and how to file a complaint or claim.

Findings

Staff found that JFS Transport failed to provide a consumer guide to the customer in each of the 45 moves reviewed. Staff provided JFS Transport with technical assistance in March 2016 and March 2017 for this same violation.

Recommendation

Staff recommends a penalty of up to \$100 for each of the 45 violations:

- 45 violations of WAC 480-15-620(1) for failure to provide each customer with a copy of *Consumer Guide - Moving in Washington State*.

Staff recommends a total penalty of up to \$4,500 for these violations.

Bills of Lading

WAC 480-15-710(3) requires a household goods carrier to issue a properly completed bill of lading for every move. The bill of lading must include all of the requirements listed in Tariff 15-C, Item 95. The bill of lading itemizes the charges related to a specific move, and explains when and how a carrier is required to release a shipment and extend credit. The reverse side of the bill of lading discloses specific terms and conditions of the contract, and ensures that consumers are aware of their rights and obligations under the law.

Each of the 45 bills of ladings staff reviewed contained one or more of the following violations of commission rules or Tariff 15-C:

- Failure to properly fill out the bill of lading in violation of WAC 480-15-710 and Tariff 15-C, Item 95;

- Failure to include required language on the bill of lading in violation of WAC 480-15-710 and Tariff 15-C, Item 95;¹¹
- Failure to indicate on the bill of lading if the associated estimate is binding or nonbinding in violation of WAC 480-15-710 and Tariff 15-C, Item 95(1)(h);
- Failure to sign and date the bill of lading in violation of WAC 480-15-710 and Tariff 15-C, Item 95(1);
- Failure to document each worker's start and stop times, and any work interruptions, in violation of Tariff 15-C, Item 95(1)(m);
- Failure to properly document customer's valuation selection in violation of Tariff 15-C, Item 95(1)(k);¹² and
- Failure to charge customers for valuation option 2 or 3 in violation of Tariff 15-C, Item 90. This is a repeat violation.

Findings

Staff found 45 separate violations of WAC 480-15-710 and Tariff 15-C, Item 95 in reviewing 45 bills of lading. Staff provided previous technical assistance to JFS Transport in March 2016 related to valuation.

Recommendation

Staff recommends a penalty up to \$100 for each of the 45 bills of lading reviewed. The violations include:

- 45 occurrences of failing to properly fill out the bill of lading in violation of WAC 480-15-710 and Tariff 15-C, Item 95;
- 45 occurrences of failing to include required language on the bill of lading in violation of WAC 480-15-710 and Tariff 15-C, Item 95;
- 45 occurrences of failing to indicate on the bill of lading if the associated estimate is binding or nonbinding in violation of WAC 480-15-710 and Tariff 15-C, Item 95(1)(h);
- 45 occurrences of failing to sign and date the bill of lading in violation of WAC 480-15-710 and Tariff 15-C, Item 95(1);
- 45 occurrences of failure to document each worker's start and stop times, and any work interruptions, in violation of Tariff 15-C, Item 95(1)(m);
- Four occurrences of failing to properly document customer's valuation selection in violation of Tariff 15-C, Item 95(1)(k); and
- Four occurrences of failing to charge customers for valuation option 2 or 3 in violation of Tariff 15-C, Item 90. This is a repeat violation.

Staff recommends a total penalty of up to \$4,500 for these violations.

Complaints and Claims

WAC 480-15-800 requires carriers to provide a customer with all information and forms necessary to file a complaint or claim. WAC 480-15-810 requires carriers to follow certain steps

¹¹ See Appendix K for a copy of Childers bills of lading.

¹² See Appendix L for copies of customer bills of lading.

when resolving a customer complaint or claim. WAC 480-15-830 requires carriers to keep all records and papers relating to a complaint or claim for three years.

On May 22, 2017, staff again requested that JFS Transport send all documents that were submitted for complaints and claims for February 1, 2017, through April 30, 2017.¹³ On May 23, 2017, JFS Transport provided staff with an email from a customer stating that his household goods item, a piano, had been damaged and he is looking for it to be replaced.¹⁴ On June 1, 2017, staff asked again JFS Transport if there were any more documents he will be submitting.¹⁵ On June 6, 2017, staff asked again JFS Transport to send all requested documents, including consumer complaints.¹⁶

On June 8, 2017, staff received a telephone call from Mr. Sheridan. Mr. Sheridan stated to staff that he does not have any claim forms to submit. Mr. Sheridan stated that normally a consumer emails him about damages and he responds by giving the consumer a telephone call.¹⁷

On June 9, 2017, staff called Mr. Sheridan and requested he submit invoices for all the moves completed Feb. 1, 2017, through April 30, 2017. Mr. Sheridan stated that he only completes an invoice if the customer requests it. On June 9, 2017, staff again requested all documents regarding any claims that he processed during the requested data request timeframe. On June 9, 2017, Mr. Sheridan resubmitted the customer information that staff previously received. Mr. Sheridan also sent another customer's request for repairs on damages that occurred during the move. Staff informed Mr. Sheridan that there was no documented responses to either of the two claims.

Staff reviewed both claims and identified these two violations in each claim:

- Failure to provide customers the necessary information and forms to file a complaint or claim in violation of WAC 480-15-800(1).

Findings

Staff found a total of two violations of WAC 480-15-800 in reviewing two customer claims filed with JFS Transport. JFS Transport failed to provide staff with any documentation related to how the company handles complaints and claims. JFS Transport handles its customer claims over the telephone with no additional documentation retained by the company.

Recommendation

Staff recommends a penalty of up to \$100 for two occurrences of the following violation:

¹³ See Appendix M for a copy of email, dated May 22, 2017.

¹⁴ See Appendix N for a copy of email, dated May 23, 2017.

¹⁵ See Appendix O for a copy of email, dated June 1, 2017.

¹⁶ See Appendix P for a copy of email, dated June 6, 2017.

¹⁷ See Appendix Q for RJ phone call with JFS June 8, 2017.

- Two violations of failing to provide customers the necessary information and forms to file a complaint or claim in violation of WAC 480-15-800(1).

Staff recommends a total penalty of up to \$200 for these violations.

Advertising

WAC 480-15-610(1) requires carriers to include their commission-issued permit number, name or trade name, physical address, and telephone number in any advertisement for household goods moving services. WAC 480-15-610(6) prohibits carriers from advertising services, rates, or charges that are in conflict with the tariff. Staff reviewed advertisements on JFS Transport's website, Facebook profile, and Yelp profile, and observed the following violations related to advertising:

- Failure to display the company's commission-issued permit number on its business website and Facebook profile.¹⁸ This is a repeat violation.
- Failure to display the company's address as recorded at the commission on its business website and Facebook profile.¹⁹ This is a repeat violation.
- Advertising rates to include fuel fees that conflict with Tariff 15-C and violate WAC 480-15-610(6).²⁰

In addition, staff found JFS Transport's business website advertised a three-hour minimum charge in conflict with Tariff-15-C, Item 230(3), which provides that the minimum charge for a shipment moving under hourly rates is one hour. Specifically, Tariff 15-C, Item 230(7), requires carriers to charge a minimum of one hour, Monday through Friday, between 8:00 a.m. and 5:00 p.m. and requires carriers to charge a four hour minimum for hours outside of regular business hours, including Saturdays, Sundays, or state-recognized holidays.

Findings

Staff found that JFS Transport committed advertising violations on its business website and Facebook profile by failing to display the company's commission-issued permit number. In addition, JFS Transport's business website and Facebook profile display an address that is not on record with the commission. Finally, JFS Transport advertises on its website charges for supplies, fuel, and a three-hour minimum that conflicts with Tariff 15-C.

Recommendation

Staff recommends a penalty of up to \$100 for each of the following three violations:

- Failure to display the company's commission-issued permit number on its website and Facebook page in violation of WAC 480-15-610(1);
- Failure to display the company's address as recorded at the commission website on its website and Facebook page in violation of WAC 480-15-610(1); and

¹⁸ See Appendix R for a copy of business website and Facebook advertisement.

¹⁹ See Appendix S for a copy of commission record.

²⁰ See Appendix T for a copy of business website advertisement.

- Advertising rates and services that conflict with Tariff 15-C in violation of WAC 480-15-610(3(6)).

Staff recommends a total penalty of up to \$300 for these violations.

SUMMARY OF RECOMMENDATIONS

In this investigation, staff identified 241 violations of WAC 480-15 and Tariff 15-C. Staff typically recommends a “per violation” penalty against a regulated company where the violations result in serious consumer harm; for repeat violations of a rule after a company receives technical assistance from staff; or for intentional violations of commission rules or state laws. The commission has the authority to assess penalties of up to \$1,000 per violation, per day, following a formal complaint and hearing.

In this case, staff recommends the commission issue a formal complaint and assess penalties of up to \$100 for each of the 241 violations documented in this report for a total penalty of \$24,100. Staff also recommends the commission order JFS Transport to refund overcharges to affected consumers totaling \$3,324.50, and to attend the commission’s free household goods training within 120 days. The factors discussed below support these recommendations.

1. How serious or harmful the violation is to the public.

The violations committed by JFS Transport illustrate the company’s disregard for the commission’s rules related to household goods movers.

JFS Transport failed to perform visual inspections, provide cube sheet inventories and written estimates, complete bills of lading, and provide customers with a copy of the consumer’s guide. Each of these violations are potentially harmful to consumers. In some cases, JFS transport caused actual harm to consumers by charging in excess of the allowed rate, or charging for specific items that should have been included in the hourly rate.

2. Whether the violation is intentional.

JFS Transport previously attended the commission’s free household goods training and received technical assistance from staff for the same violations found in this investigation. Staff believes the company knows, or should have known, about these requirements, and that the violations in this report were therefore intentional.

3. Whether the company self-reported the violations.

JFS Transport did not self-report these violations.

4. Whether the company was cooperative and responsive.

JFS Transport was neither cooperative nor responsive. Between May 17, 2017, and Sept. 1, 2017, staff made contact with JFS Transport’s owner on approximately 35 occasions in an attempt to receive requested documentation.

- 5. Whether the company promptly corrected the violations and remedied the impacts.**
Staff is unaware of any steps taken by JFS Transport to correct its business practices and come into compliance with the commission's rules for household goods movers.
- 6. The number of violations.**
Staff reviewed documents from 45 moves and found that not one of the moves was in compliance with the commission's rules. In total, staff identified 448 individual violations, for an average of nearly 10 violations in every move.
- 7. The number of consumers affected.**
This investigation examined documents from 45 individual customers' moves. Staff found rule violations and potential or actual consumer harm in every move. Staff believes that JFS Transport's business practices are consistently out of compliance with commission rules and, therefore, every customer is exposed to potential or actual consumer harm.
- 8. The likelihood of recurrence.**
JFS Transport attended the commission's free household goods training and received technical assistance. However, staff believes that only a significant monetary penalty will deter future violations. On June 8, 2017, during a telephone conversation with staff, the owner stated that he has been in the moving business since he was 21 years old and has developed a system of business practices that works for him.
- 9. The company's past performance regarding compliance, violations, and penalties.**
Staff provided technical assistance related to these violations in March 2016 and March 2017. The commission penalized JFS Transport in 2012 and 2015 for late filing of its annual report.
- 10. The company's existing compliance program.**
Jonathan Sheridan, owner, is responsible for JFS Transport's compliance program.
- 11. The size of the company.**
JFS Transport has six employees and reported \$135,000 in gross revenue in 2016.

Considering the eleven factors above, staff recommends the commission issue a formal complaint and assess a total penalty of up to **\$24,100** for the following violations:

- Up to \$3,600 for each of the 36 customers charged for services or items not authorized by Tariff 15-C, in violation of WAC 480-15-490(3).
- Up to \$800 for each of the eight customers charged amounts in excess of the tariff rate band, in violation of WAC 480-15-490 and Tariff 15-C, Item 230(6).
- Up to \$1,200 for each of the 12 moves in which a customer was charged a three-hour minimum, in violation of WAC 480-15-490 and Tariff 15-C, Item 230(3).

- Up to \$4,500 for each of the 45 customers who did not receive written estimates in violation of WAC 480-15-630 and Tariff 15-C, Item 85(1).
- Up to \$4,500 for each of the 45 occurrences of failure to complete a cube sheet inventory for each customer in violation of WAC 480-15-630 and Tariff 15-C, Item 85(1).
- Up to \$4,500 for each of the 45 customers who did not receive the consumer guide in violation of WAC 480-15-620 and Tariff 15-C, Item 85(c).
- Up to \$4,500 for each of the 45 customers who received an incomplete bill of lading in violation of WAC 480-15-710 and Tariff 15-C, Item 95.
- Up to \$200 for each of the two violations related to handling of customer claims or complaints in violation of WAC 480-15-800.
- Up to \$300 for each of the three violations of failure to comply with advertising requirements in violation of WAC 480-15-610.

Staff also recommends that the commission require JFS Transport to:

- Issue refunds to consumers charged for services not allowed by Tariff 15-C, including overweight freight charges, sales tax, drop-off charges, and fuel charges in the amount of \$3,031.27.
- Issue refunds in the amount of \$293.23 to eight consumers who were charged rates that exceeded the tariff rate band in violation of WAC 480-15-490 and Tariff 15-C, Item 230(6).
- Attend the commission's free household goods training within 120 days.