

Hands Tied On Moving Scams

June 19, 2002



(CBS/AP)



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Glenn Oulette



Tips to Avoid Being Ripped Off By Movers:

- If your estimator gives you a written, "binding" price quote, make sure the quote is binding! Be sure your mover won't tack on "incidental" prices for "additional services" once the move's been done. Get it in writing that they won't.
- When dealing with movers in Florida or New York, be especially careful — there have been a tremendous amount of complaints filed against movers in these areas.

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(CBS) It's like watching a robbery in progress, reports CBS News Correspondent Maureen Maher.

"Look at how I've been living for a month," complained Bridget Fletcher. "No crib for my baby, no bed to sleep in, no couch to sit on, no television, no dining room table..."

"This is not my problem!" replied the mover.

Bridget Fletcher says he's a thief.

"I think they're taking off - Oh my God, they're taking off with my stuff!" she said.

"Right here, I would have my dining room set," said Rita Oulette.

She and husband Glenn also say they were ripped off by a moving company — Elite Van Lines — when the cost of their move skyrocketed from \$1,500 to \$4,300.

"I wouldn't want to call it like feeling raped, but you kind of feel that rage," said Glenn Oulette.

Police say both families got caught in a nationwide moving scam. Companies quote one price, then hike up the final costs by 25, 50, even 500 percent. The companies refuse to deliver until the customer comes up with the cash.

In the Fletchers case, the cops caught up with Oshri Cohen and Juan Miguel Aita Garcia, charging both with theft for increasing the cost of the Fletchers' move from \$1,700 to \$3,500.

However, both men are part of a much larger FBI investigation into questionable moving companies, many of which are run by foreign nationals.

Queens, New York, District Attorney Richard Brown recently busted two Israelis, Ronit Mantoza and her husband Daniel,

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Maureen Maher reports on what happens when consumers ask the government for help with moving scams.
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and Palestinian immigrant Morad Alfari,
after receiving hundreds of complaints.

The trio allegedly was running five different moving and storage companies out of the same address, complete with coupons and promises of "no hidden costs."

"One of the things that we are insistent upon...is that these people never go into business again," Brown said.

But two weeks after her arrest, Brown's office got calls that Ronit Mantoza was shaking down customers for more money again.

"There's no question that there is a need for tighter regulation on the federal level and there's only so much we as prosecutors can do," said Brown.

The Queens District Attorney blames it on the Department of Transportation, which oversees an industry that has few regulations and little if any enforcement.

The D.O.T. declined to be interviewed by **CBS News**, but issued this statement:

"Although consumer-related issues cannot be our primary focus, we are doing what is practicable, given the agency's strained resources."

Eventually, Fletcher got her belongings back.

"This is the kind of stuff that kills you, the baby pictures that you can't replace," she said.

After seven months, the Oulettes are still waiting.

"Are you worried you may never get it back?" Maher asked

"Yes, yes only because..." said Rita.

"...So many other people haven't," finished Glenn.

And unless the laws change and are enforced, the Oulettes and thousands of other like them, may never see their prized possessions again.

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Moving Can Make You A Target

June 18, 2002



(CBS/AP)

QUOTE

"They use sleazy, low-ball tactics, they lie to you, they lie to you, they lie to you!"

James Balderrama
Web site moving advocate



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(CBS) Jim and Peggy O'Reagan's dream home is full of empty promises. As **CBS News Correspondent Maureen Maher** reports, what should have been a routine move turned into a nightmare for the couple.

"What happened was I got an estimate from a company to move me from Virginia to South Carolina," Said Jim O'Reagan.

To save a little cash, the O'Reagan's hired a moving company they found on the Internet.

"This guy had a real convincing story that they were experienced corporate movers - and there was really no reason to think that they weren't," said Jim O'Reagan.

But after the movers drove off with everything the O'Reagan's owned - the price went up. Way up.

"They said the new price was \$31,000 -- instead of the little over \$3,000 they said it would be," Said Peggy O'Reagan. "I thought it was a joke."

It was no joke. The movers refused to deliver any furniture until the O'Reagan's paid in full. And despite repeated calls to local, state and federal authorities, to politicians, attorneys and even the Better Business Bureau - no one would do anything about it.

"I know there are lot of people in our shoes," said Peggy O'Reagan.

She's right. Federal law prohibits moving companies from charging over 10 percent of their original estimate. But since lawmakers deregulated the industry in 1995, the Department of Transportation has received some 4,000 complaints annually of companies that hike up prices and hold goods hostage.

"No one can do anything. The problem is

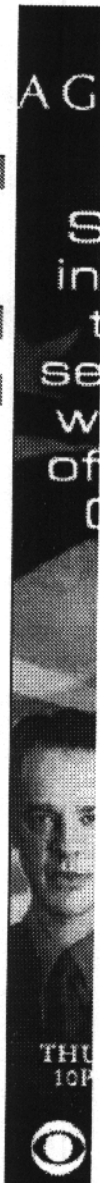
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financial advisor Ray Martin

the DOT has 6 people to enforce moving regulations," says James Balderrama, who runs the Web site www.movingadvocateteam.com.

Balderrama says he gets up to 100 hits a day from consumers taken to the bank by bad movers.

"They use sleazy, low-ball tactics, they lie to you, they lie to you, they lie to you!!!"

"They start the job, they put things on the truck and then they tell customers we have to use materials, you have more stuff, it's going to cost you more," said one veteran mover, who declined to be identified.

The mover described to **CBS affiliate WKMG** in Orlando how easy it is to make a moving and storage company look legitimate.

"Within 30 days I can have advertising - and all you really need is a few jobs if you're going to rip people off," said the mover.

Fearful the moving company would take *them* to court, the O'Reagans broke into their kids college fund and coughed up the cash.

"Sell everything you don't think you don't value before you move," said Peggy O'Reagan tearfully. "I mean most of that stuff on that truck, I would have sold."

Three months and \$31,000 later, the O'Reagans only got bits and pieces of their belongings back. Their china, glasses and other items were smashed.

Wednesday: What happened when authorities moved in on a ring of rip off movers -- and why the government couldn't stop them.

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WASHINGTON, D.C.

QUOTE

"Many times people just don't have the time or the inclination to really research who they're dealing with."

Ben Frakes

Moving Company Salesman



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"Perhaps many times people just don't have the time or the inclination to really research who they're dealing with," says moving company salesman Ben Frakes. "They just want to ... be on to other things and get the moving part of it out of the way."

Take Jerry Hudis, for instance. He is one of those people who didn't research his movers before they came to move him halfway across the country to Illinois.

(CBS) Moving can be one of the most stressful times a family can go through. It's scary, tiring, and expensive, not to mention potentially hazardous. If you're not careful you could lose everything, as **CBS News Correspondent Bob Orr** reports.

It happened to Chuck Sage when he moved to Florida from New York City.

"We had no clothes, no furniture, no nothing," Chuck remembers.

He says the movers had boxed up his entire house and loaded it on the van, then suddenly hiked his bill by several thousand dollars and threatened to hold it all hostage unless he paid up.

In New York City, a moving company was charged with making last-minute, exorbitant price hikes, and then refusing to turn over people's belongings unless their demands were met.

Complaints are highest in Florida and New York but it happens all over the country. Since 1995, when the government downsized itself out of the business of regulating the industry, the number of people falling victim to these alleged scam artists has skyrocketed. There is no national estimate of losses, however.

One company in Florida is accused of bilking nearly \$4 million out of its customers.

And in New York City another company reportedly got away with \$80,000 before it was caught.

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"We didn't go to anyone else 'cause I'm really lazy. And it sounded, you know, reasonable and it was close to what I guessed," says Hudis.

Hudis was lucky however, as his first call was to a company his friends and realtor had recommended, and the move went well.

But getting recommendations is only one of the things smart consumers are urged to do for a safe move. Residents should also have the mover walk through the house to estimate the total moving cost. Never trust an over-the-phone estimate. And, check with the Better Business Bureau for any complaints against the movers.

Lawmakers are looking at ways to help protect consumers but the moving industry is skeptical. A few rotten apples, the industry argues, is not enough to warrant government regulation of the \$7 billion annual business.

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