

TRANSTRENDS

THE TRANSLAW GROUP, INC.

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WINTER HAS ARRIVED

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MTA: ALERT SYSTEM ON WRONG END OF TRAIN



Three days after the fatal Metro North derailment, the Metropolitan Transportation Authority (MTA) said the train was equipped with technology to alert an inattentive engineer — but it was on the wrong end of the train.

The “alerter” system may have prevented disaster, however, due to protocol; the engineer was operating the train with remote controls from the lead car, which had no alerter.

The MTA’s acknowledgment of the existence of the alerter system on the train came as a New York Police Department officer who was on the train filed a \$10 million suit, alleging the MTA was negligent.

FUEL TAXES, NOT MILEAGE TAXES, MOST APPEALING TO TRUCKERS

Fuel taxes appeal to America’s truckers ahead of other proposals such as tolling or taxes based on miles traveled according to published reports.

The discussion deepened this week when a congressman from Oregon filed two bills related to

highway funding – one that would increase fuel taxes by 15 cents and another that lays groundwork for a future tax on vehicle miles traveled, or VMT.

U.S. Rep. Earl Blumenauer, D-Ore., filed HR3636, a bill that would increase the federal excise tax on motor fuels by 15 cents by 2015 and tie future increases to inflation through 2025. The increase would apply to both gasoline and diesel and be carried out in increments. The last time fuel taxes were increased was in 1993.

Truckers support the fuel-tax system while urging those holding the purse strings to account for every dime.

The second Blumenauer bill is HR3638, which would grant federal money to states to conduct pilot programs to tax highway users by vehicle miles traveled



instead of a per-gallon tax at the pump. Part of the reasoning is that hybrid and alternative-fuel vehicles currently do not pay fuel taxes and therefore are not contributing to the funding of infrastructure or safety programs. Translaw would like to point out that when fuel is purchased by such vehicles they do pay a fuel tax.

A VMT tax would essentially convert all roads into toll roads. Truckers and other highway users should also be concerned about privacy since a VMT tax would likely come with some sort of tracking system via satellite, computer or some other device. Privacy issues are many, however in light of the NSA situation Translaw thinks that the privacy issue does not carry much weight since the Government has plenty of information on every American, and for that matter, many foreign countries and their citizens as well.

The Blumenauer VMT bill attempts to address the privacy issue, but leaves the decision up to states receiving the pilot program grants to sort it out.

FMCSA SUSPENDS MOVERS IN FLORIDA, MARYLAND AND SOUTH CAROLINA

Five household goods moving companies in Florida, South Carolina and Maryland have been shut down for holding customer shipments hostage and failing to turn over records related to federal investigations.

The Federal Motor Carrier Safety Administration announced the shutdown, part of a continuing campaign by its Moving Fraud Task Force, via a press release on Tuesday, Nov. 26.

The five movers who lost their authority to operate:

- Allegiant Van Lines Inc., based in Davie, Fla.;
- Northern Van Lines Inc., based in Cooper City, Fla.;
- Northeastern Vanlines Inc., based in Pembroke Pines, Fla.;
- United West Moving and Storage Inc., based in Anderson, S.C.; and
- Direct Movers Inc., based in Pikesville, Md.

FMCSA's Moving Fraud Task Force began investigating Allegiant Van Lines in response to consumer complaints that the company "illegally held customers' possessions hostage," the release stated.



YOU KNOW YOU'RE IN TROUBLE WHEN THE MOVER SHOWS UP IN A FLAT BED

The company failed to respond to federal orders charging it with improperly holding hostage goods. The company has been suspended from operating for at least one year and was issued fines of more than \$88,000 for safety and commercial violations.

During the course of the investigation into Allegiant, FMCSA discovered the company's owner also operated Northern Van Lines and Northeastern Vanlines of Florida, and United West Moving and

Storage of South Carolina.

Combined, more than 100 complaints have been filed against the three related companies in the National Consumer Complaint Database. They now face fines of more than \$31,000 total and have also been suspended from operating for at least one year.

Maryland-based Direct Movers was also shut down, and their DOT number inactivated, for failing to comply with an FMCSA demand for records involving a shipment being held hostage.

In 2012, FMCSA established a Moving Fraud Task Force to investigate household goods moving companies with numerous complaints. In July of this year, FMCSA announced that civil penalties of up to \$56,000 had been levied against three Chicago-area moving companies as a result of an intensified investigation into Illinois movers.

More than 5,800 household goods moving companies are registered with FMCSA. In 2012, FMCSA received more than 3,100 consumer complaints about household goods movers, up from 2,851 in 2011. Among the most common complaints are shipments being held hostage, loss and damaged goods, delay of shipments, unauthorized movers, and deceptive practices such as unwarranted overcharges.

FMCSA TO CHANGE VIOLATION CHALLENGE PROCESS IN PSP, CSA



The way FMCSA reports driver violations to the mega database that feeds data to the Pre-Employment Screening Program and Comprehensive, Safety, Accountability enforcement program is changing.

The Federal Motor Carrier Safety Administration will publish a notice on Monday, Dec. 2, that outlines the way violations will be reported to the Motor Carrier Management Information System, or MCMIS.

That database supplies the roadside inspection and violation data to the PSP and the CSA program. The PSP program provides listings of all driver roadside inspection violations and crash reports to prospective employers.

CSA scores and weights violations to determine motor carrier and driver compliance in various categories. The motor carrier rankings are public, but the driver ratings are used internally at FMCSA for enforcement only.

Drivers and motor carriers currently have the option to contest violation data in MCMIS. The challenges, called DataQ, are submitted to FMCSA and routed back to the originating law enforcement agency.

Before the changes outlined in the notice, if a driver were to be found not guilty or have a citation dismissed in court, there was no policy in place to have the corresponding violation removed from MCMIS. That led to inconsistencies in how challenges were handled state to state.

With the announced changes, challenged violations that have a corresponding citation that is either dismissed or given a “not guilty” verdict will have the challenged violation removed. Citations that are dismissed by a court but have fines or court fees assessed will be reported as convictions to the system.

If the court convicts the driver of a charge different from the original citation, the original corresponding violation will remain in MCMIS. There will be a note added to the violation that the legal challenge “Resulted in conviction of a different charge.”

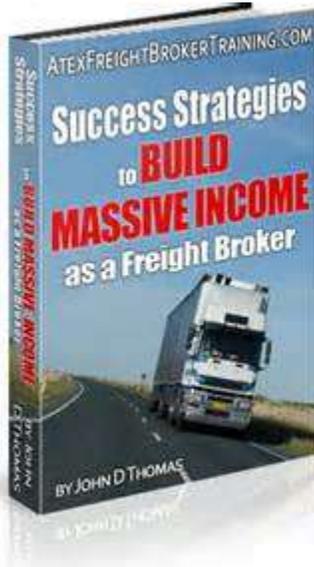
In the PSP program, the violation will also remain with a similar notation of being convicted of a different charge. For the purposes of CSA, the severity weight, or points, associated with the violation will be reduced to the lowest value of either the original violation or the newly convicted corresponding violation.

The notice says the changes will only apply to inspections on or after the implementation date of the policy.

GEORGIA DEFENDANT PLEADS GUILTY TO DOUBLE BROKERING

Authorities say a woman in Georgia has admitted to using Internet load boards illegally to intercept payments between shippers and trucking companies.

According to the U.S. Department of Transportation Office of Inspector General, Pauline Robinson-Kirkland of Donalville, Ga., was indicted in July 2012 of using the Internet to scan load boards for commercial freight advertisements. On Nov. 20, Robinson-Kirkland pleaded guilty in U.S. District Court in Macon, Ga., to mail fraud in connection to her role in the double brokering scheme.



Investigators said Robinson-Kirkland would bid on the freight loads by using names of companies that had broker authority with the Federal Motor Carrier Safety Administration. After winning the bids, she would tell the other party her trucks would deliver the freight for the agreed price and the shipper would send her the payment.

Instead, Robinson-Kirkland immediately re-advertised the loads using a different company name, accepted bids from trucking companies and organized the delivery of the freight from shipper to destination, “never disclosing that she had arranged for the sender to send payment to her.”

“This resulted in the actual freight hauler never being paid,” the DOT OIG release states. The investigation was handled jointly between the DOT and the Decatur County, Ga., sheriff’s office.

COLORADO MOVING COMPANY OWNER PLEADS GUILTY TO WIRE FRAUD CONSPIRACY



This subject is becoming a tired old tale. What is it with the household goods moving industry that attracts such trash scum. Translaw has represented many movers over the years and all have been reputable!

The owner of a moving company in Colorado pleaded guilty to one count of conspiracy to commit wire fraud for his role in a scheme that defrauded at least 75 people.

Yaron “Roni” Levin, 43, was initially charged with five federal counts of conspiracy to commit wire fraud, wire fraud, extortion, theft from interstate shipments and falsely making bills of lading, according to a January 2012

indictment filed in U.S. District Court of Colorado.

Levin is the owner of Movers USA LLC/A Golden Hand Moving, a Denver-based moving company.

The U.S. Department of Transportation Office of the Inspector General announced the guilty plea via press release on Nov. 27.

The release stated that Levin “routinely doubled quoted estimates for an average increase of \$2,000 to \$5,000, although some victims were charged as much as \$10,000 over initial estimates.”

According to the indictment, Levin and his co-defendants devised a scheme to defraud customers “by offering extremely low moving estimates, taking possession of customers’ personal property, and then fraudulently inflating the price of the Movers USA/Golden Hand transport of the customers’ goods.”

The defendants would then withhold delivery of the items until the customers paid the inflated price.

The scheme involved two other moving companies – Worldwide Van Lines of Delray Beach, Fla., and Neighbors Van Lines of Pompano Beach, Fla. – which would advertise discount rates for moving services on websites. Those companies presented themselves as carriers, but actually served as brokers, selling the loads they received to Levin’s company. The brokers kept the deposits from customers as their payment for generating job “leads” for Levin.

Customers were sent an emailed estimate, based on the volume in cubic feet of the furniture, which was then converted to weight at a rate of approximately 7 pounds per cubic foot. The estimated weight was then multiplied by a cost per pound to arrive at the “non-binding” estimated shipping cost.

The indictment states Levin’s company would “purposefully delay” the move in order to force a friend or family member to stay behind and meet the movers. They would then attempt to renegotiate the original estimate, and use the renegotiated contracts to extract additional money from the victims. The company also set up warehouses to store the customers’ goods until payments at the inflated rates had been received.

The indictment lists victims who paid 102 percent to 351 percent increases from the estimates.

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