

California Public Utilities Commission
505 Van Ness Ave., San Francisco

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PRESS RELEASE

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**CPUC INVESTIGATIONS RESULT IN ENFORCEMENT ACTIONS
AND FINES IMPOSED ON VARIOUS MOVING COMPANIES
IN FIRST QUARTER 2011**

SAN FRANCISCO, April 26, 2011 – The California Public Utilities Commission (CPUC), in its ongoing commitment to consumer protection, has recently taken a number of actions to protect consumers from moving companies operating illegally in the first quarter of 2011.

CPUC staff took the following enforcement actions against moving companies for violations of the Public Utilities Code and CPUC rules and regulations, including Maximum Rate Tariff 4 (MAX 4), which contains maximum rates that carriers must observe as well as rules and regulations governing intrastate moves.

Administrative Citation

Two companies were cited and fined (totaling \$4,000) for one or more of the violations listed below.

1. Engaged employees without evidence of workers' compensation insurance on file
2. Failed to issue and/or properly complete the "Important Notice About Your Move" document to shippers
3. Failed to maintain records
4. Incomplete Combined Agreements for Moving Services and Freight Bills
5. Operated and advertised without a valid permit
6. Failed to pay year 2010 TRF fees
7. Failed to properly and legibly compute time for loading, unloading and double drive time and show all times accurate to the minute
8. Failed to properly complete the Change Order for Services

Companies cited:

1. Jacob Charles Giorgi dba House to Home Moving, Citrus Heights (MTR 190786)
2. Zip 2 Zip Transfer and Storage Inc. dba American Best Moving, Van Nuys (MTR190175)

Phone Disconnect

In its ongoing efforts to clamp down on illegal moving companies, the CPUC had telephone service shut off to three moving companies operating in California without a household goods permit.

These companies continue to advertise and engage in transporting used household goods, notwithstanding CPUC staff directives to immediately cease and desist unlawful acts and to obtain a household goods permit.

1. **Jarvis Price Cox dba Keep It Moving Movers, Sacramento (Unlicensed).** The company advertised and offered household goods moving services on the Internet. The advertisements listed three phone numbers, two of which were still active. Notwithstanding CPUC staff Cease and Desist letters and verbal communication directing the company to immediately cease all unlawful advertisements and operations, the company continued to violate the law. On January 26, 2011, CPUC staff obtained a Finding of Probable Cause signed by a Sacramento County Superior Court Judge ordering disconnection of telephone service to the two phone numbers advertised and used by the company to violate criminal laws in California.
2. **David C. Nguyen and Bruce Nguyen dba AnyTime Movers, SOS Movers and Moving Soldiers, San Jose (Unlicensed).** The company advertised and offered moving services on the Internet. The advertisements listed one phone number. Notwithstanding CPUC staff Cease and Desist letters and verbal communication directing the company to immediately cease all unlawful advertisements and operations, the company continued to violate the law. On February 14, 2011, CPUC staff obtained a Finding of Probable Cause signed by a Santa Clara County Superior Court Judge ordering the disconnection of telephone service to the phone number advertised and used by the company to violate criminal laws in California.
3. **Jay Miller dba Flat Rate Moving Company, Oakland (Unlicensed).** The company advertised and offered moving services on the Internet. The advertisements listed one phone number. Notwithstanding CPUC staff Cease and Desist letters directing the company to immediately cease all unlawful advertisements and operations, the company continued to violate the law. On February 10, 2011, CPUC staff obtained a Finding of Probable Cause signed by a Santa Clara County Superior Court Judge ordering disconnection of telephone service to the phone number advertised and used by the company to violate criminal laws in California.

Criminal Filings

CPUC staff investigations of unlicensed operations resulted in two moving companies being charged criminally for violating the CPUC's rules and regulations. Listed below is an update on criminal cases filed:

1. **Amex Movers, Inc., Los Angeles (MTR 190039) - Complaint #9CA01177** – The company was charged with 30 counts of violating various provisions of the Public Utilities Code, and the CPUC's MAX 4 Tariff including but not limited to operating and advertising after permit

suspension and revocation; engaging employees without workers' compensation insurance; failing to maintain in effect public liability property damage and cargo insurance; and failing to issue Important Notice with Not To Exceed Price. Amex Movers Inc. pled guilty on Feb. 8, 2011, and sentencing was on Feb. 15, 2011. Ernestas Dranseika was ordered to pay restitution to two consumers. As a condition to pleading guilty and paying the restitutions, Dranseika's probation would be terminated and his conviction be expunged. He cannot conduct moving services without giving the CPUC prior notice.

2. **Aleksey Posunko, Larysa Posunko, Stanislav Kirsanov, partners doing business as ALG Moving, Los Angeles (Unlicensed) - Complaint #0CA01202** – The company was charged with eight counts of violating various provisions of the Public Utilities Code, and the CPUC's MAX 4 Tariff including but not limited to operating and advertising without CPUC authority; failing to maintain insurance; failing to issue Important Notice with Not To Exceed Price; and Business and Profession Code 17200/17500 for unfair business practices. Larysa Posunko pled "nolo contendere" to three counts of violating PU Code Sections 5133, 5143, and 5139. Posunko was sentenced to 90 days in jail or 45 days of Community Labor, or 500 hours of community service; ordered to pay \$4525.01 in restitution to shippers; \$500 in restitution to the CPUC; and \$100 to Victims' Restitution Fund; 36 months summary probation; notify the CPUC in writing within 48 hours if own, operate, or is employed by a household goods carrier. Charges against Stanislav Kirsanov were dismissed after he agreed to sign a written statement acknowledging rules and regulations of the CPUC regarding household goods carriers. Aleksey Posunko will receive same sentence as Larysa Posunko, however he now lives in Ohio and their attorney did not have all the signed documents. The case was continued until April 2011.
3. **Duncan and Elbaz, Inc., a California corporation, doing business as Worldwide Relocations, Worldwide Moving, Moving US Moving & Storage, Marten Transport, Marten Movers, Atlas Van Lines and S Van Lines, and its President Edan Elbaz, Santa Clara (MTR190482-Denied) - Complaint # C1196968.** The company did not have a valid household goods carrier permit to conduct these moves. Based on the complaints received and sting operations with Santa Clara, the city's District Attorney's office filed a felony complaint charging Edan Elbaz and Mellisa Gisselle Jimenez and warrants for their arrest were issued. Jimenez was booked and released on \$150,000 bail. The whereabouts of Elbaz is unknown. A federal unlawful flight to avoid prosecution warrant was issued for his arrest.
4. **BGT Trans, Inc., a California corporation, doing business as Advanced Moving and Storage, and/or Advanced Moving Systems, and/or Bekins Moving and Storage, and/or Bekins Moving Systems, and/or Advanced Moving Company, and Hezia Dabahuli, its President, and Ashley R. Randall, its Agent for Service of Process, Sunnyvale (Unlicensed). Complaint # C1197052.** CPUC staff submitted a report requesting the Santa Clara County District Attorney's office to file a misdemeanor complaint against the company for operating and advertising without authority, failing to have evidence of public liability insurance and evidence of cargo insurance on file and in effect with the CPUC, failing to issue the "Important Notice About Your Move" document showing a Not To Exceed Price, providing online estimates without first conducting a visual inspection of the goods to be moved, charging in excess of the estimate, failing to acknowledge and settle loss and damage

claim, failing to provide the shipper with a completed Agreement for Moving Services and Freight Bill, misrepresenting the scope of its services offered to the public, and misleading potential customers by using their website and vehicle as a device for false and misleading advertising. The Santa Clara District Attorney's office filed felony complaint against Eran Bar, owner of BGT, and Ruben Salas, sales person for BGT, charging them with 17 counts of conspiracy with others to commit a crime, a violation of Penal Code section 484-487(a). Both individuals were arrested. Bar was released on \$150,000 bail and Salas is being held on a \$1 million bail.

Official Notice

Three companies were issued Official Notice for advertising without a permit:

1. Container Storage Inc. dba CSI Mini Storage, Richmond (MTR 190757)
2. A-OK Hauling, Modesto (Unlicensed)
3. Jose Mendoza, Berkeley (Unlicensed)

Cease and Desist Notice

Thirteen companies were issued Cease and Desist notices for operating and advertising without a valid permit (unlicensed or denied):

1. Arnold Baeza dba Dependable Movers & Best Movers, Los Angeles (MTR 163844)
2. Louis Pacheco dba Louie's Moving Services, Lancaster (Unlicensed)
3. Home Moving Wheels, Long Beach (Unlicensed)
4. Sean Sullivan dba Movers Anonymous, Berkeley (Unlicensed)
5. Goldstar Van Lines, Inc., Fremont (Unlicensed)
6. Maria Gonzalez dba Agustins Movers Services, Sunnyvale (Unlicensed)
7. Two Hunks in a Truck, San Francisco (Unlicensed)
8. Cowboy Movers, Riverside (Unlicensed)
9. Asaf Nagar dba Firstfruits Moving, South San Francisco (Unlicensed)
10. Antonio Vidal dba Tony's Movers, Santa Clara (Unlicensed)
11. Rustam Kholov and Umed Salomov dba PMC Movers, Belmont (Unlicensed)
12. Fred Watson dba Pop's Moving, Northridge (Unlicensed)
13. Happy Dog Transfer, Camptonville (Unlicensed)

Joint Operation

Special Task Force on Moving Companies – The CPUC received numerous consumer complaints against unlicensed and licensed moving companies (based in Santa Clara County) that offer low prices over the Internet, but subsequently increase the charges using various scams, including fraudulently “reweighing” goods and using extra packaging materials that are billed at exorbitant rates. The movers then hold the customers' goods hostage until those consumers pay the inflated charges. As a result of these complaints, CPUC staff approached the Santa Clara County District Attorney's office asking for their assistance in pursuing criminal charges against these companies.

Coincidentally, the District Attorney's Consumer Protection Section also received numerous consumer complaints with similar allegations. In late 2009, a special task force was formed consisting of the Santa Clara County District Attorney's Office and its Bureau of Investigation, the CPUC, Federal Bureau of Investigation, the U.S. Department of Transportation, Santa Clara County's Department of Weights and Measures, the San Jose Police Department, the District Attorney's Offices of Monterey and Alameda Counties, and the U.S. Department of Homeland Security, Immigrations and Customs Enforcement. CPUC staff assisted with identifying five illegally operating companies, providing copies of consumer complaints filed with the CPUC, providing our analyses of complaints, tracking the whereabouts and movements of these companies and their principals, and acting as subject-matter experts. After a year-long investigation, including sting operations, the task force executed search warrants at the premises of three moving companies (ASAP Relocation, MTF Relocation, and Atlas Van Lines/BGT). Four CPUC staff participated in the execution of the search warrants and acted as subject-matter experts and interviewers. Eight arrest warrants were issued for individuals' role in theft-related offenses in connection with the investigation (Wayne Allen, Eran Bar, Roni Hayon, Melissa Jiminez, and Adalinda Reyna-Mendoza). The District Attorney's office has already filed felony complaints against 10 individuals (Roni Hayon, Adalinda Reyna-Mendoza, Wayne Allen, Edan Elbaz, Melissa Giisselle Jimenez, Eran Bar, Ruben Salas, Oren Avitan, Yehuda Avitan, and Rodney Cameron Duque). A federal unlawful flight to avoid prosecution warrant was issued against one moving company owner.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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