

MOVERS HELD GOODS HOSTAGE, FEDS CHARGE

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Hundreds of consumers were cheated by 16 South Florida moving companies that lured them with lowball prices, then held their possessions hostage in jammed warehouses until the customers paid exorbitantly inflated prices, federal officials said Tuesday.

A massive federal indictment unveiled Tuesday accuses the companies and 74 owners, operators and employees of fraud and extortion.

The indictment said the movers deliberately underestimated the cost of moving, rushed customers to sign blank forms, lied to them, used false names, and refused to tell customers where their possessions were until they paid huge fees.

The final tab to unload the moving trucks was usually triple the estimate customers had been given when they contacted the companies, usually on the Internet. In one case, it was seven times, said U.S. Attorney Marcos Daniel Jiménez.

The sums defrauded from consumers is unclear. The number of victims: ``Hundreds . . . and counting," Jiménez said. Some paid up, some lost their belongings.

``There are warehouses full of items we will try to get back to their rightful owners as soon as possible," Jiménez said.

Most of the companies and the 50 individuals arrested in pre-dawn raids Tuesday were based in Miami-Dade and Broward counties. But their scam hit at the heart of a basic, American freedom - ``the ability to move around the country," Jiménez said.

Their victims are from Florida - long a hotbed for mover fraud - and across the country.

The two-year investigation, ``Operation Stow Biz," used undercover FBI agents who contracted to have household goods donated by the Salvation Army and Goodwill moved.

The investigation was led by federal prosecutors, the FBI and the Department of Transportation. It was done in conjunction with state Attorney General Charlie Crist, who on Tuesday announced his office had obtained court injunctions shutting down 11 companies. The state also filed civil actions accusing 14 companies and nine people of deceptive trade practices.

James Balderrama says he is one of the victims. The 40-year-old loan officer moved from San Diego to Orlando in 2001 because of a job transfer.

He used AAA Van Lines, a North Miami Beach company named in the indictment, which offered to move his belongings for \$3,600.

Moshe Elmakias, a truck driver who was indicted, showed up about four days late and demanded \$8,600 in cash, Balderrama said.

``I had never used a mover, and I had no idea what a move could or should cost," Balderrama said.

But he knew a \$5,000 increase wasn't right.

Balderrama questioned the driver. That's when he says Elmakias yelled, ``You're [expletive] going to pay for this, or you won't get your [expletive] stuff."

An attorney helped Balderrama obtain a court order that allowed him to retrieve his furniture, wedding album, daughter's baby pictures and other belongings from a warehouse in Georgia.

Balderrama later launched a consumer advocate website (www.movingadvocateteam.com).

Elmakias, whose last known address was in Broward County, could not be reached for comment.

In October of 2001, Tim Walker, a computer programmer who got a job transfer, hired Fort Lauderdale-based Majesty Moving & Storage to move him from Sterling, Va., to Carson City, Nev.

Majesty Moving, which is named in the indictment, quoted him \$1,869. But he ended up paying more than

\$5,012 and waiting six weeks for his furniture. He spent Thanksgiving night without any dishes and ate turkey off paper plates.

Walker was so angry, he also launched a website for victims: www.movingscam.com.

Many of the indicted companies came to investigators' attention because of massive numbers of complaints lodged against them by the public.

A majority of the individuals arrested are local Israeli nationals. In the past, moving company owners accused the government of targeting them because they are Middle Eastern.

The federal grand jury indictment charges the movers with extortion, conspiracy to commit money laundering, wire fraud, mail fraud and making false bills of lading.

If convicted, they face from five to 20 years in prison and fines ranging from \$250,000 to \$500,000. //optional trim// The government is also seeking forfeiture of the companies' trucks and bank accounts. Florida, famed for its transient population and many retirees, is especially exposed to this type of fraud, said William Tompkins, special agent with the Department of Transportation.

``There are three states that are considered hotbeds for mover fraud: Florida, California and New York," Tompkins said.

In recent years, South Florida has taken action to curb fraud by movers by enacting ordinances that strictly regulate movers in Miami-Dade, Broward and Palm Beach, said Joel Metter, assistant supervisor for the Broward Consumer Affairs Division.

``These companies attract most of their costumers from other parts on the internet," Metter said.

Reputable local companies knew of the rogue movers. John Piscopo, general manager for Professional Movers in North Miami, said employees from some of the companies named in the indictment came looking for jobs. Some told Piscopo that they had problems collecting their paycheck.

Robert Skrob, president of the Florida Movers and Warehousemen's Association, which represents about 150 moving companies, said there are ``hundreds of reputable movers in Florida that work hard everyday."

``I'm glad that these thieves and extortionists are going to be locked up and put out of business," he said.

On Tuesday, victim Balderrama was thrilled: ``I can't tell you how ecstatic I am. I'm ready to cry . . . What

I'm thinking about are the thousands of people who are not going to get ripped off."

Caption: photo: some of the people arrested in a series of raids in north Miami-Dade County (a), headshots of Tim Walker and James Balderrama (a)NURI VALLBONA/HERALD STAFF MOVERS INDICTED: Some of the people arrested in a series of raids Tuesday are led from FBI offices in north Miami-Dade County.

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