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NEWS RELEASE



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Attorney General Seeks to Protect Consumers from Fraudulent Interstate Moving Companies

(Juneau, AK) –Attorney General Gregg Renkes joined other attorneys general to support the federal Securing Consumers' Assurance in Moving (SCAM) bill, sponsored by Congressman Thomas Petri (R - WI), Chairman of the House Subcommittee on Highways, Transit and Pipelines. The SCAM bill is designed to protect consumers from deceptive interstate moving companies.

“SCAM gives state attorneys general the authority to protect their consumers from the deceptive practices of fraudulent interstate movers using state consumer protection laws,” Attorney General Gregg Renkes explained. “It is the state’s job to protect our citizens from questionable business practices and interstate moving companies should not be exempt from such enforcement.”

The termination of the Interstate Commerce Commission in 1996 virtually eliminated federal oversight of interstate moving companies, which resulted in substantially more consumer complaints. Many courts have since held that federal law precludes state agencies, including state attorneys general, from enforcing state consumer protection laws when interstate movers harm consumers. Most states still have the power to take action against wholly intrastate moving companies, but have little recourse when citizens are scammed by movers that cross state lines.

Between 1996 and 1999, the U.S. Department of Transportation saw a 107 percent increase in consumer complaints against interstate movers. The number of interstate moving complaints to the Better Business Bureau increased by 72 percent during the same time period. In addition, consumer requests for arbitration to the American Moving and Storage Association, the moving industry’s trade association, increased 750 percent between 1996 and 2000.

“The federal legislation would allow state attorneys general to bring enforcement actions under their state consumer protection laws,” Renkes added. “This would increase consumer protection on the local level and compliment it at the federal level.”

The legislation requires the U.S. Department of Transportation to establish a federal-state working group to exchange information and coordinate efforts to curb the problem. It also establishes a consumer complaint database for complaints against household movers.

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