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REPORT BY THE
Comptroller General
OF THE UNITED STATES



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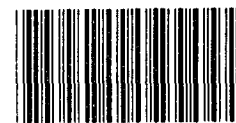
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**'Weight Bumping'--Falsifying Household
Moving Weights To Increase
Charges--What ICC Needs To Do**

There is no accurate measure of the extent of "weight bumping" in the household moving industry. Neither the Federal, State, nor local governments have adequate controls over weighing operations to detect and prevent the practice.

Both the Interstate Commerce Commission and the household goods moving industry recognize the problem and have taken steps to alleviate it, but more needs to be done to guarantee that consumers are charged fairly for the services they receive.

This report was prepared at the request of the Chairman, Senate Subcommittee on Transportation and Related Agencies, Committee on Appropriations.



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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-187797

The Honorable Birch Bayh
Chairman, Subcommittee on Trans-
portation and Related Agencies
Senate Committee on Appropriations

SEN 00319

Dear Mr. Chairman:

Pursuant to your July 17, 1978, request, we are reporting on the problem of weight bumping within the interstate household goods moving industry. As agreed with your office, we concentrated on (1) analyzing the available information on the extent and causes of weight bumping, (2) summarizing Federal and State governments and industry efforts to deal with inaccurate weights, and (3) reviewing information on alternatives other than weight to base charges for household goods shipments.

1000712 This report contains recommendations to the Chairman, Interstate Commerce Commission, to direct a comprehensive study of weight bumping so that it may better quantify the extent of the problem and address weight bumping with the appropriate level of investigative and enforcement effort and to establish regulations which will effectively control the weighing of household goods shipments. It also contains a recommendation to the Secretary of Defense for improving the Department's weight monitoring program.

At the request of your office, we did not take the additional time needed to obtain agency comments on the matters discussed in this report.

Your office also requested that we make no further distribution of the report before the subcommittee hearings at which the report will be used. These hearings are now scheduled to be held on May 7, 1979.

Sincerely yours

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE SUBCOMMITTEE
ON TRANSPORTATION AND
RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

"WEIGHT PUMPING"--
FALSIFYING HOUSEHOLD
MOVING WEIGHTS TO
INCREASE CHARGES--
WHAT ICC NEEDS
TO DO

D I G E S T

✓ About 1 million American households which move each year are not being protected adequately against the practice of "weight bumping" which artificially increases the cost of moving.

Weight bumping is the falsifying of weights of household goods shipments to increase transportation charges. ✓ Household goods shipments are easy targets for weight bumping because Federal, State, and local governments do not have effective controls, such as prenumbered weight tickets, to prevent cheating.

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The Interstate Commerce Commission (ICC) and the moving industry agree that weight bumping is a problem, they disagree on its extent. ICC has charged that weight bumping affects 9 percent of all interstate household moves, costing consumers at least \$20 million each year; the industry believes that it is much less widespread. Neither has reliable data to measure the magnitude of the problem.

✓ There are no ICC regulations concerning weighmasters and scale operations and only limited regulations governing weight tickets. Accordingly, ICC must rely on State and local governments to regulate weighing activities. This reliance has serious shortcomings because of insufficient and inadequate State and local controls. ✓

In 1977, ICC recognized weight bumping as an industrywide practice and took steps to detect and prevent the practice. However, none of these efforts was designed to have a long-term impact on weight bumping. ICC actions have included:

--An undercover operation to determine the extent of weight bumping.

--Truck checks which should be used more frequently to detect weight bumping.

--Widespread media coverage to publicize the practice.

Its Chairman created a one-time investigative strike force to deal with weight bumping. In 1978 this operation uncovered evidence on how easily drivers may get false weight tickets from scale operators or create false weight tickets.

During the summer of 1978, ICC carried out intensive investigations of household goods shipments entering the high growth areas of Florida and Arizona/southern California. It checked about 5,700 moving vans containing about 18,000 household goods shipments. Three hundred shipments with suspected weight bumps were reweighed at destination. Of the 300 that were reweighed, 104 weighed at least 500 pounds less than the weight recorded on shipping documents. (See p. 22.)

The Department of Defense (DOD) has a program for reweighing a minimum of 10 percent of all domestic shipments so that more accurate weights will be obtained and thus reduce overcharges to the Government. However, DOD's program has no procedures to identify shipments that might have been bumped and no procedures for investigating such shipments.

Spurred by the publicity on weight bumping, the interstate moving industry's national trade association developed a suggested program to assure that shippers are given accurate weights. (See p. 28.) However, it is too early to determine what effect, if any, industry efforts will have on the long-term solution to the weight bumping problem.

Several alternative methods, other than weight and distance, have been proposed or used to charge for moving household goods. To assure accuracy and honesty, each alternative requires controls and enforcement procedures. It is not clear, without extensive testing, that any other method would be

subject to fewer problems than the current weight and distance method. (See p. 35.)

RECOMMENDATIONS TO THE CHAIRMAN, ICC

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The Chairman should:

- Direct a comprehensive study of weight bumping so that ICC may better measure the extent of the problem and thus assign the appropriate level of investigative and enforcement action to deal with it.
- Establish regulations regarding the weighing of interstate household goods shipments to prevent weight bumping. Specific attention should be given to controls needed for weighing operations, weight tickets, and scale accuracy.
- Establish unannounced periodic inspections at weigh stations with State assistance, and investigations to reduce the practice of weight bumping.

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RECOMMENDATION TO THE SECRETARY OF DEFENSE

The Secretary should direct the Military Traffic Management Command to develop procedures for identifying shipments that warrant investigation for possible weight bumping and providing the information to the proper DOD organizations for investigation.

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The Subcommittee on Transportation and Related Agencies requested that GAO not take the additional time needed to obtain agency comments on matters discussed in this report.

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ABBREVIATIONS

DOD	Department of Defense
GAO	General Accounting Office
ICC	Interstate Commerce Commission
NBS	National Bureau of Standards

CHAPTER 1

INTRODUCTION

In 1977 the Interstate Commerce Commission (ICC) began a major program to educate consumers and the shipping public about "weight bumping." Weight bumping is the falsification of shipment weight to increase the transportation charges for the individual whose goods are being shipped.

At the request of the Chairman, Subcommittee on Transportation and Related Agencies, Senate Committee on Appropriations, we reviewed ICC actions to prevent weight bumping. This report analyzes the available information on the extent and causes of weight bumping and summarizes Federal and States governments' and industry's efforts to deal with inaccurate weights. It also contains information on alternatives, other than weight, to base charges for household goods shipments.

DEFINITION OF HOUSEHOLD GOODS

ICC defines "household goods" as (1) personal effects and property used or to be used in a dwelling when a part of the equipment or supply of such dwelling, (2) furniture, fixtures, equipment, and property of stores, offices, museums, institutions, hospitals, or other establishments when a part of the stock, equipment, or supply of such institutions or other establishments, and (3) articles, including objects of art; displays; or exhibits which, because of their unusual nature or value, require the specialized handling and equipment usually employed in moving household goods. ^{1/} This report is primarily concerned with the first part of the definition because it pertains to average citizens when moving their possessions from one location to another which is the object of ICC's current concern.

ICC

ICC is the Federal agency responsible for regulating interstate surface transportation in the United States. About 18,000 for-hire companies provide domestic surface transportation and are subject to ICC's regulations. The companies include railroads, trucking firms, bus lines, water carriers, coal slurry pipelines, freight forwarders, and transportation brokers.

^{1/} 49 C.F.R. §1056.1 (a).

ICC is concerned with assuring that the American public has an adequate and efficient transportation system--one that gives equal treatment to all. Rates must be reasonable, service must be adequate, and practices of carriers must be free of discrimination that favors some individuals and localities at the expense of others.

HOUSEHOLD GOODS SHIPPERS

For general freight and most other commodities the shipper is an individual knowledgeable about various rules, schedules, and tariffs. However, in the case of household goods, the shipper is usually a private citizen with little knowledge of the moving business.

In addition to private individuals, or so-called collect-on-delivery customers, there are two other types--national accounts and the Department of Defense (DOD). National account customers include large private industries who pay for the shipments of employees' household goods when relocating employees in connection with their job. The DOD shipper is any military member who moves either within the United States or abroad utilizing the services of a household goods carrier.

HOUSEHOLD GOODS CARRIERS

Household goods carriers are usually common carriers. A common carrier offers transportation service to the general public for compensation. Interstate common carriers must obtain from ICC an operating authority which is generally defined in terms of commodities transported and geographic areas served.

There are several characteristics of the household goods industry which are particular to such carriers. Household goods shipments contain a wide variety of items which have a utility or sentimental value to the owner. As a result, the equipment used to transport these shipments must be specialized, single purpose design and the carrier drivers and employees must possess skills and abilities not needed in performing any other for-hire transportation. Further, the transportation of household goods is usually on a call-on-demand basis with distinctive seasonal fluctuations--the busiest time being the summer months. In addition, most household goods shipments do not fill a van; thus, most vans travel with more than one shipment at a time. There is no fixed pattern to the cities from and to which people move. Thus coordinating shipments to fill a van is a major daily problem for the carrier.

Most long-distance household goods carriers provide services to their customers through the use of agents. Agents are local moving firms in various cities that agree to transport a customer's goods on behalf of a national carrier. Acting as an agent of the national carrier, the local mover may make the price estimate and direct the packing and loading of an individual's shipment. Another agent may direct the unloading and unpacking as well as handle complaints. The national carrier coordinates and controls the activities of its agents and leased vehicle operators. It receives and disburses the revenues generated by the operations; solicits and coordinates the flow of traffic; provides public liability and cargo protection for the agent's total operations; receives and processes shipper's claims; and retains the required ICC records for each household move performed.

DETERMINING MOVING COSTS

The cost of an interstate move depends on the weight and value of the household goods, the distance moved, and the special services required, such as packing, storage, and unpacking. Each interstate carrier must file a tariff with ICC showing the rates and charges for its services. No interstate carrier may legally charge a person more or less than his tariff filed with ICC for the services actually provided.

Upon the shipper's request, the carrier must estimate the charges for all proposed services. However, under ICC regulations, estimates are not binding on the shipper or the carriers; the shipper must pay total charges based on actual weight.

Whenever the actual charges (based on actual weight and distance) exceed the estimate by more than 10 percent, the carrier must deliver the shipment upon payment of 110 percent of the estimated charge. The shipper has 15 days following delivery, excluding weekends and holidays, to pay the remainder.

The regulations also require that the carrier allow the person paying the freight charges, or a representative, to observe the weighing of the loaded vehicle (the gross weighing).

When requested, the carrier must notify shippers, before delivery, of the shipments' weight and all charges. If dissatisfied with the shipments' weight, shippers may, prior to delivery, demand a reweigh. The carrier is then required to

inform shippers of the location of a certified scale close to the destination and of their right to observe the reweighing. The charge is either the lower of the origin weight or destination reweigh.

The carrier may charge for a reweigh except when (1) the reweigh is more than 120 pounds below the billed net weight or (2) the billed net weight exceeds the estimated weight by 25 percent or more.

SCOPE OF REVIEW

We interviewed ICC headquarters and field officials in three regions to obtain their views on the causes and cures for weight bumping. We reviewed documents and reports pertaining to various ICC compliance and enforcement programs and examined ICC's policies, procedures, and applicable laws and regulations and the limited available data on weight bumping.

We also contacted national van lines, agents, the American Movers Conference, Household Goods Carriers' Bureau, and DOD officials to obtain their viewpoints on weight bumping and to gather information on their programs to assure accurate weights.

In four States we interviewed officials responsible for inspecting and supervising weighing activities. We also reviewed their procedures for certifying weighmasters and scales and records of scales inspections. We visited scales and reviewed their operations. We met with State law enforcement personnel to determine State activities regarding weight bumping.

We contacted scale manufacturers and National Bureau of Standards (NBS) to determine what effects environmental factors may have on scale accuracy.

CHAPTER 2

BETTER CONTROLS ARE NEEDED TO PREVENT

THE EASILY ACCOMPLISHED ACT OF WEIGHT BUMPING

Weight bumping is perpetuated by the lack of effective controls over weighing practices in the household goods moving industry and the economic benefits that accrue to most segments of the industry from weight manipulation. Currently, the household goods shipper is an easy target for weight bumping.

While no one knows how prevalent weight bumping is, both ICC and industry agree it is a problem. Despite this recognition neither ICC nor industry has taken action which would effectively prevent weight bumping. Without effective controls, it is likely that weight bumping will continue.

WEIGHT BUMPING SCHEMES--A VARIETY OF EASY-TO-DO METHODS

A driver who wants to bump weights can readily do so. The difference between the tare (empty) and gross (loaded) weights, the net weight, is the basis for billing the shipper, and the shipper can be cheated by manipulating either of the two weights.

In 1978, ICC investigators were successful in obtaining weight bumps at about 22 of 28 truck scales located in the Washington, D.C., area and in Maryland, Virginia, North Carolina, and Georgia. An ICC investigator said that in all instances except one, the weight bumps were obtained with the assistance or knowledge of a weighmaster or his employee. In another operation ICC and California State investigators were able to obtain false weight tickets at 9 of 65 scales.

The following are examples of how weight bumping may be done:

- Adjust the amount of fuel carried: If the driver obtains the tare weight with nearly empty tanks and then fills the tanks before the gross weighing, the shipment may be increased up to 1,000 pounds. ICC regulations state that a truck's fuel tanks be full when the tare weight is obtained, but ICC and industry officials agree that fuel tanks are seldom, if ever, checked.

- Some weighmasters will give phony weights: False weight tickets can be obtained by merely requesting them from the weighmaster or scale operator. This was demonstrated by an ICC investigator who obtained weight tickets for 2,000 and 4,000 pounds more than the shipment weighed. An investigation by California State investigators and ICC also showed it is easy to get phony weights from scale operators. ICC regulations do not govern weighmasters.
- Counterfeit tickets: A driver may purchase a set(s) of numbered steel punches and, with blank scale tickets which can be acquired with relative ease, record a false weight.
- Incomplete weighing: The tare weight of a vehicle can be reduced by not driving the entire vehicle on the scale. When the gross weight is determined, all wheels of the vehicle rest fully on the scale. Thus, the net weight is increased.
- Add heavy objects to the van: The District Attorney for Santa Clara County, California, convicted an agent and several employees for adding heavy objects to shipments. An industry official told us that vans are not opened by scale operators to check the legitimacy of contents.
- Switch the drivers: If a light driver obtains the tare weight and a heavier driver the gross weight, the difference between the drivers' weights will inflate the shipment's net weight. ICC regulations do not state that the same person be in the truck when both weights are obtained.
- Weigh the wrong van: An ICC report described a trucker willing to drive his van onto a scale and obtain a weight so that an ICC investigator, posing as a driver, could use the weight ticket to bump a shipment. ICC regulations do not require that weight tickets contain a vehicle identification number.
- Include extra people on the scale: During an ICC investigation, a CBS News "60 Minutes" crew filmed a van being weighed with seven people on the scale. ICC regulations prohibit anyone except the driver from being on the scale during weighings.
- Remove equipment: If the tare weight is obtained without the equipment needed for moving such as padding, dollies, and ramps, and the gross weight is

obtained with it, the net weight will be inflated. ICC rules state that both tare and gross weights include the equipment and pads needed for moving.

At one location an ICC investigator found the scale and weight tickets unattended and could have printed any weight he desired or taken blank tickets. We observed this same condition at one of the scales we visited in New York. We also noted that some scale operators issue handwritten weight tickets. Such tickets can be easily forged.

Lessons from a driver on how to cheat

Posing as household goods movers, ICC investigators were instructed on the art of weight bumping by a driver with about 10 years experience in the industry. According to an ICC report, the driver showed the investigators three different sized sets of metal stamping devices with numbers from 0 through 9. The driver called the metal stamping device a "portable scale" and demonstrated how to imprint a phony weight on one of several hundred blank tickets in his possession. The blank tickets had been obtained by purchase and theft. He said that he simply scribbled in a name as the weighmaster's signature and had never been questioned about it.

The driver explained how he often increased the amount of money he received for shipments by charging the shipper for accessorial work not performed, such as extra packing. This is how the scheme works. At the time the shipper's household goods are loaded into the van, there are various forms the shipper must sign. The driver places a blank accessorial sheet in the middle of the documents and the shipper unsuspectingly signs the blank sheet. Later, the driver fills in the sheet with various accessorial services which were not performed.

The accessorial services are not specifically described on the bill of lading given to the shipper when the goods are delivered. Rather, tariff numbers are written on the bill of lading and the shipper has no idea what they mean. If a shipper asks what a tariff number means the driver pleads ignorance and suggests that the shipper call the moving company's headquarters. If the shipper requests information about the accessorial charges, the moving company has the accessorial charges sheet bearing the shipper's signature obtained through deceit. The driver told the investigators that this scheme is almost fool proof and works best when a company is moving an employee because the shipper, or employee, is not often concerned about moving costs paid by the employer.

WEIGHT BUMPING OFFERS MONETARY
INCENTIVES TO THE MOVING INDUSTRY

All segments of the household goods moving industry (carriers, agents, and drivers) have some financial incentive to weight bump. Carriers may profit from weight bumping because their revenue is generated on the basis of weight and distance a shipment is hauled. One moving company official said that carriers and agents with very low profit margins may resort to weight bumping just to sustain operations until rate increases are granted.

Since agents share a percentage of revenues, they, too, have an incentive to bump weights. In addition, the costs of doing business may encourage weight bumping. For example, agents pay for the equipment used by their drivers and maintain warehouse or storage facilities. Some agents also pay fines assessed by carriers for failure to comply with ICC rules.

Most drivers are paid a percentage based on weight and distance--a practice which encourages weight bumping--and are independent owner/operators under contract to a carrier or agent. Drivers own the tractor and face expenses for financing, fuel, maintenance, insurance, traveling and damage claims.

According to an ICC official, the revenue from hauling a shipment is distributed as follows: 15 to 20 percent to the booking agent, who may provide an estimate for the shipper, prepare paperwork required for the move, and make arrangements for the goods to be shipped; 50 to 65 percent to the owner-operator of the tractor and/or van; and 15 percent to the carrier.

A typical interstate shipment weighs about 6,000 pounds and is transported about 1,000 miles. If a somewhat typical move is bumped 500 pounds, how much will the shipper be cheated? To answer, let's assume the shipment weighs 6,120 pounds and is transported 1,107 miles from Jackson, Mississippi, to Baltimore, Maryland. The correct charge is \$1,373, but if bumped 500 pounds, the charge would be \$1,485--a \$112 increase.

BETTER CONTROLS NEEDED AT THE SCALES

ICC has regulatory authority over interstate carriers, but not over other ingredients essential to assure accurate weights--weighmasters, scale operators, and the scales. These fall under the jurisdiction of State and local governments. Since no ICC regulations exist concerning

weighmasters and scales, ICC relies on the State and local governments to regulate weighing activities. Because of insufficient and inadequate controls over weighing operations, weight tickets, and scale accuracy at the State and local level, this reliance has serious shortcomings.

The National Association of Regulatory Utility Commissioners, whose membership consists of State agencies engaged in the regulation of utilities and carriers, recognized a growing need for the regulation and supervision of commercial weighing and measuring activities in the various States. In 1977, the association submitted to its members for consideration a Model State Weights and Measures Act. The association stated that the lack of uniformity in supervision of commercial weighing and measuring activities has led to numerous deceptive practices and public uncertainty regarding the changes to be assessed for transporting household goods. The model act would require:

- Specific guidelines and qualifications for persons engaged in commercial weighing activities, including evidence of good moral character and expertise in the fields of weights and measures.
- Application of tolerances and regulations for commercial scales published in the NBS Handbook 44, "Specifications, Tolerances, and Other Technical Requirements for Commercial Weighing and Measuring Devices".
- The use of weight certificates and an official seal for public weighmaster which, when stamped on a weight ticket, will serve as a declaration of the official's true and accurate weight within the tolerance allowed and penalties for false weighing.

Some States have adopted in whole or in part, the Model Weights and Measures Act. However, there does not seem to be uniformity of the requirements adopted, or applicable to, weighmasters, scales, and scale tickets.

Weighmaster requirements vary

In the household goods moving industry a weighmaster is any person who, for a fee, weighs moving vans and issues a certified weight ticket. Our review identified the States of California, Indiana, and New York and the City of Chicago as requiring certified weighmasters. Illinois does not certify weighmasters because the high turnover of the persons performing the weighing does not, in a State official's opinion, make certification feasible.

Requirements for becoming a weighmaster in the various jurisdictions vary. In California, a person must pay a \$50 license fee and post a \$2,000 bond. A weighmaster may employ deputy weighmasters after paying a \$10 license fee for each deputy. No tests are required to become a weighmaster or deputy weighmaster. A State official stated that a violation of California weighmaster laws is a misdemeanor offense with a maximum sentence of \$500 and/or 6 months in jail.

In Chicago, a scale owner applies to the city to become a public weighmaster. This requires having certified scales and posting a bond. The weighmaster may employ deputy weighmasters, who must be bonded and registered with the city. The penalty for providing a false weight is a fine of not less than \$25 nor more than \$500 for each offense. Regulations require weighmasters and their deputies to use seals to notarize weights.

Indiana issues certificates to persons who wish to become certified weighmasters. No test or fee is required. The State informs weighmasters of Indiana regulations governing weighmasters but not of ICC regulations. Weighmasters are required to retain copies of weight tickets for 12 months. State statutes provide maximum penalties of \$1,000 fine and 6 months imprisonment for a violation of laws governing weighing practices.

In New York State, the requirements for becoming a certified weighmaster are: payment of a \$10 fee, evidence of good character, ability to weigh accurately and make proper weight tickets, and access to a stationary scale for use in weighing the commodity properly. Also, the scale used must be tested and meet accuracy and other technical requirements.

The New York State Bureau of Weights and Measures has responsibility for certifying weighmasters, and, according to a Bureau official, none of the above information is verified nor are there any formal training requirements. A State official said that a weighmaster who falsifies a weight is subject to a \$50 to \$200 fine for the first offense and \$400 for subsequent offenses. We interviewed 14 weighmasters who weigh household goods in New York State and only four were knowledgeable about ICC regulations on weighing.

We discussed with industry and Government personnel the need for training weighmasters in ICC weighing regulations and scale operations. We were told that formal training was not needed because scales are easy to operate; however,

informational pamphlets about ICC weighing regulations would be helpful.

Scale accuracy is a real world problem

According to ICC, NBS "Handbook 44" has been adopted by all of the State, county and municipal agencies responsible for regulating the installation, use, and maintenance of scales and measuring devices used for any commercial purpose. Regarding the weighing of household goods shipments, "Handbook 44" states that the accuracy of the scale must be such that the tolerance (the percent of error) does not exceed 0.2 percent per 1,000 pounds. For example, the maximum tolerance permitted for a 10,000 pound shipment is 20 pounds.

In California, scale tolerance tests are, with few exceptions, performed by the counties. The Los Angeles County Department of Weights and Measures employs 36 inspectors to test and inspect all commercial weighing and measuring devices in the county. There are about 482 vehicle scales in the county and they may be tested about every 2 years. During the fiscal year ended June 30, 1978, the rejection rate (closures) of the vehicle scales tested was approximately 40 percent. County officials stated that the high rejection rate was caused by the general wear and tear the scales received, and rejected scales usually exceed the tolerance by only 2 to 10 pounds per 1,000 pounds weight.

In February 1979 we tested the accuracy of seven vehicle scales in the Los Angeles area used for weighing vans containing household goods. With the exception of scale number 2, in the table below, all were listed in the "American Movers Conference Scale Directory," a guide to recommended scales throughout the country. With assistance from Los Angeles County Weights and Measure personnel and Bekins Van Lines, we determined the weight of the tractor and van was 50,090 pounds. The results obtained from the seven commercial scales were:

<u>Scale number</u>	<u>Weight obtained</u>	<u>Pounds out of tolerance (+ or -)</u>	<u>Pounds per thousand out of tolerance</u>
1	50,060	-30	0.6
2	50,020	-70	1.4
3	50,040	-50	1.0
4	50,040	-50	1.0
5	50,040	-50	1.0
6	49,940	-150	3.0
7	49,910	-180	3.6

Scales 6 and 7 exceeded the acceptable tolerance by 50 and 80 pounds, respectively.

The Illinois Department of Agriculture is responsible for enforcing weight regulations in areas under State jurisdiction. The State employs 15 inspectors to test and certify over 3,600 vehicle scales inspected in 1978. The State has adopted NBS "Handbook 44" calibration requirements and officials said scales not meeting the requirements are condemned until repaired and reinspected.

In February 1979, with the cooperation of Bekins Van Lines, we weighed a moving van and tractor on eight scales normally used to weigh household goods. The scales were located in the Chicago area under State jurisdiction and were listed in the "Mover's Scale Directory." While we did not determine the true weight of the tractor and van and the out-of-tolerance range, the test results show the various weights obtained and the weight differences found (+ or -) between succeeding scales. Our tests showed a weight range of 1,920 pounds between the highest and lowest weight obtained.

<u>Scale number</u>	<u>Weight obtained</u>	<u>Weight difference between scales</u>
1	44,290	0
2	44,200	-90
3	42,460 (lowest)	-1,740
4	44,260	+1,800
5	44,380 (highest)	+120
6	44,120	-260
7	43,560	-560
8	43,980	+420

After obtaining a weight at scale number 8, we reweighed the vehicle on scale number 1. The second weight was 150 pounds less than the first time we weighed the vehicle at that scale. The weighmaster was unable to explain this discrepancy.

We discussed these findings with a State inspection official who said that the weight variances were probably caused by weather conditions; that is, ice may have formed in the weighing mechanism under the scale platform. The State recommends that scale operators use heating devices under the platform to eliminate icing but cannot enforce the recommendation. It is apparent, on the basis of the weights we obtained, that shippers may be significantly over or under charged due to weight discrepancies caused

solely by inaccurate scales. This also has an effect on the loss of revenue to the industry and the need for industry to be more concerned about the accuracy of scales.

Weight tickets are uncontrolled

ICC requires that weight tickets be signed by either the driver or weighmaster, show tare and gross weights, and bill of lading number. ICC has no requirements concerning the numbering, name and location of scale, date of weighing, or retention of weight tickets by scale operators. Thus, the absence of basic controls allows easy falsification of tickets and makes detection and prosecution nearly impossible. With the exception of Illinois, each jurisdiction visited had a variety of requirements for data on weight tickets and ticket retention, as shown below.

	TARE WEIGHT	GROSS WEIGHT	LOCATION OF SCALE	SIGNATURE OF SCALE	CONSECUTIVELY NUMBERED	DATE OF WEIGHING	LICENSE NO. OF VEHICLE(S)	RETAIN COPY OF WEIGHT TICKET	DRIVER'S NAME	SHIPPER'S ADDRESS	SHIPPER'S NAME	WEIGHMASTER MUST USE A SEAL
CALIFORNIA	X	X	X	X	X	X	X	X	X			X
ILLINOIS						NO REQUIREMENTS						
CHICAGO, ILLINOIS	X	X			X		X		X	X	X	X
INDIANA	X	X			X		X		X			X
NEW YORK	X	X			X		X		X			

Our visits to scales disclosed that the data contained on weight tickets varied from scale to scale with some tickets not containing sufficient data to properly identify the weighed shipment. We also observed that weight tickets were left unattended at some scales. Tickets used in recording weight of household goods shipped interstate should contain sufficient data to assure that management control over tickets are not compromised and the shipper can be assured that data recorded on the ticket may be relied on for accuracy. The following proposed weight ticket provides for data which we believe meets the above requirements.

CERTIFICATE OF WEIGHT & MEASURE

No. 12345

WEIGHT IN POUNDS					SIGNATURE				DATE
GROSS					SCALE OPERATOR				/ /
TARE					SCALE OPERATOR				/ /
NET					CARRIER				
WEIGHED FOR									
DELIVERED TO									
LICENSE NUMBER			TRUCK		TRAILER		TRAILER		STATE
EQUIPMENT NUMBER			TRUCK		TRAILER		TRAILER		STATE
FUEL IN TANKS				UNITS	COMMODITY			MARKS	
FULL	3/4	1/2	1/4	MT					
DRIVER'S SIGNATURE							BILL OF LADING NUMBER		
<i>For Interstate Household Goods Only</i>									
I.C.C. RULE: DRIVER ON FOR GROSS & TARE <input type="checkbox"/>									
WEIGHED AT <i>Scale Name, Address and Telephone</i>									

MORE FREQUENT SCALE INSPECTION IS NEEDED

State and local governments have complete authority over scale inspection. The lack of uniform inspection standards among State and local governments allows a wide range of practices. In some instances, we found that inspections fail to meet the recommended standard in the Model

State Weighmaster Law of 1965, published by NBS. NBS has statutory responsibility for "cooperation with the States in securing uniformity in weights and measures laws and methods of inspection." The NBS model law states that a licensed public weighmaster shall use a weighing device "that has been tested and approved for use by a weights and measures officer of this State within a period of 12 months immediately preceding the date of weighing."

Frequency of inspections

The New York State Bureau of Weights and Measures is responsible for certifying the accuracy of scales. A Bureau official told us that the total number of truck scales in the State is unknown. Available records do not include any truck scales in New York City. We reviewed data at the State Bureau of Weights and Measures to determine the relative frequency of scale inspections. Based on a random sample of scale inspection records, we concluded that:

- About 25 percent of the scales were tested during 1978.
- About 15 percent of the scales were tested during 1977.
- About 17 percent were tested during 1976 or a prior year.
- About 43 percent show no record of State inspection.

Illinois and Indiana require that scales be inspected and tested annually while the State of New York requires them to be tested and inspected every 2 years. Chicago certifies scales twice a year. California allows a variable frequency inspection program whereby scales with a history of good test results may be tested only every 2 years.

We found that these requirements are not always met. Two of the eight Illinois scales we visited in February 1979 had not been tested within the required 1 year. One scale was last tested in October 1975 and the other was tested in November 1976.

SOME ICC REGULATIONS SHOULD BE CLARIFIED OR CHANGED

ICC imposes industrywide household goods regulations, some of which are not clear or reasonable. Carriers cited a problem regulation that requires the driver, but not the crew, to remain on the truck during weighing. Carriers

believe that including the driver's weight in the gross and tare weights introduces uncertainty about the accuracy of weight measurements if drivers change and their weights are different. Furthermore, the rule conflicts with Indiana's regulations which require that the driver and crew not be on the truck when it is weighed.

We noted other examples of ICC regulations which should be clarified or changed:

--The regulations do not specify certification requirements for scales or weighmasters. In fact, ICC regulations do not define what is a certified scale. ICC intends for certified scales to comply with the minimum specifications set forth in the NBS "Handbook 44." The handbook specifies minimum tolerance values and prohibits weighing household goods shipments on axle scales, which combine the weights bearing on all axles. ICC acknowledges that many carriers, agents, and drivers are not aware of the prohibition against using axle scales--although these scales are not considered accurate enough to provide reliable weights. One major carrier said it uses axle scales when necessary because ICC does not prohibit their use. ICC should define a certified scale and prohibit use of axle scales for weighing household goods.

--The driver must have a signed weight ticket and enter the shipment's bill of lading number on the ticket. A copy must be attached to the driver's weight certificate and retained in the carrier's file and a copy given to the shipper. ICC has no additional requirements concerning the content, printing, serialization, or retention of weight tickets. As a result, weight tickets are easy to falsify and detection is difficult.

CONCLUSIONS

Weight bumping is relatively easy to do and may be accomplished through a variety of schemes. Even if the practice is performed by a small percentage of persons, the principal parties, carrier, agent, and driver, stand to reap some financial benefit.

Better controls and disincentives must be established if the practice of weight bumping is to be reduced over the long term. Shippers must have assurance that weighmasters and their deputies give true and accurate weights and unissued tickets do not fall into unauthorized or improper use.

Weight tickets often contain limited, if any, data showing when and where a shipment was weighed and who weighed it. To reduce the ease in which falsified tickets are used, we believe that a uniform prenumbered ticket should be used for all interstate shipments of household goods and copies of issued weight tickets be retained to provide evidence necessary to any investigation of an alleged weight bump.

Scale accuracy is essential to determine that proper charges are applied to a shipment. Without scale accuracy both the shipper and carrier are subject to erroneous charges. Furthermore, scale inaccuracies may cause some unwarranted accusations of weight bumping. Scale accuracy is affected by such factors as weather conditions, use, maintenance, and frequency of inspection and testing.

While scale accuracy may fluctuate widely, and is an essential element in determining moving charges, ICC has no authority over the scales--including frequency of testing and closure of scales that are out of tolerance--these are State and local functions.

RECOMMENDATIONS TO CHAIRMAN, INTERSTATE COMMERCE COMMISSION

We recommend that the Chairman take action to determine the extent that scale inaccuracies affect charges for moving household goods. In addition, the causes and remedies of scale inaccuracies should be identified. The results of this determination should be shared with the moving industry, scale owners, and the State and local jurisdictions to insure that scales are operated within acceptable tolerances.

We also recommend that the Chairman establish regulations regarding the weighing of interstate household goods shipments to help prevent weight bumping. Such regulations should, in part, require that carriers weigh their shipment only at scales where:

- Proper control is maintained over unissued weight tickets to prevent unauthorized use.
- Copies of issued weight tickets are retained for at least 1 year so that enforcement authorities may verify transactions.
- Weight tickets are prenumbered and contain uniform data as may be prescribed by ICC.

--Weighmasters use a seal to certify to the correctness of data on the weight ticket and that the ticket has been issued by an authorized person.

In conjunction with promulgating these regulations, we recommend that the Chairman work with State and local jurisdictions to obtain their cooperation in having similar requirements for all household goods shipments.

CHAPTER 3

WEIGHT BUMPING: A CONTINUING PROBLEM

OF UNKNOWN MAGNITUDE

Weight bumping is a problem of unknown magnitude. There is strong disagreement between ICC and the interstate household goods moving industry about the extent of the problem. In widely publicized statements, the Chairman, ICC, has charged that weight bumping occurs in 9 percent of the 1 million interstate household moves in the United States each year and that consumers are forced to pay a minimum of \$20 million annually in improper freight charges because of it. The moving industry acknowledges that weight bumping is a problem but not to the degree ICC has claimed. We could find no data which identified the extent of weight bumping.

In May 1977 the Chairman, ICC, held a news conference on weight bumping. At that time, he promised a vigorous enforcement campaign to completely eradicate the problem. Since this announcement ICC has conducted audits, road checks, and investigations to uncover violations of its regulations and instances of consumer abuse by household goods carriers, including weight bumping. ICC has worked with the States and cooperated with the news media to deter weight bumping. These efforts were aimed at making sure consumers get honest, efficient service from household goods movers.

Spurred by the publicity on weight bumping, the household goods industry developed programs to assure that shippers are given accurate weights.

ICC'S ESTIMATE OF WEIGHT BUMPING

In May 1977, the Chairman, ICC, estimated that weight bumping occurs in about 9 percent of the 1 million household moves each year. His estimate was based on a 1976 military program which showed that about 9 percent of its shipments had weight discrepancies, i.e., the origin weight exceeded the weight obtained upon reweighing at the delivery point. This does not, however, mean that the weight was intentionally increased as DOD did not and does not conduct investigations to determine whether weight bumping occurred. DOD's 1977 figures indicated at least 13 percent of the reweighed shipments showed weight discrepancies.

According to a DOD official, the 9 percent figure could not be used to infer that any weight bumps had occurred in the DOD program. Although weight bumping had not been

defined in the reweigh program, he further said that it would be naive to believe that it did not happen. We were unable to review DOD's reweigh data because it was lost during its conversion from one computer to another.

The household goods industry said that weight bumping is much less widespread than ICC indicated. However, they were not able to provide any documented estimate on its occurrence but acknowledged it exists.

We believe that weight bumping's magnitude may remain unknown. It is apparent that weight discrepancies exist, but what percentage involved deliberate manipulations is unknown. As already demonstrated in chapter 2, weight bumping can easily be accomplished under the present system; but, as demonstrated in this chapter, it is generally difficult to prove.

ICC HAS TAKEN A FRAGMENTED APPROACH TO IDENTIFYING AND ELIMINATING WEIGHT BUMPING

Until recently, ICC has done little to see if industry members were overcharging by manipulating weights. ICC actions to detect and prevent weight bumping have included:

- Undercover operation to reveal how weight bumping may occur and the ease of doing it.
- Establishment of an Ad Hoc Staff Committee on Household Goods to review ICC's household goods regulation policy.
- Truck checks in Arizona, southern California, and Florida to detect weight bumping.
- A series of 13 special compliance surveys to determine carrier compliance with ICC regulations.
- News conferences and press releases to inform consumers and place pressure on carriers.
- Institution of a rulemaking proceeding on estimating procedures which could eliminate some problems associated with weight bumping.

Undercover operation to determine extent of weight bumping

In May 1977, ICC announced an all-out effort to eliminate the practice of weight bumping. Even though limited factual information was available, ICC believed weight

bumping existed nationally with respect to a small minority of carriers, agents, and drivers. To deal specifically with the problem, the Chairman created an investigative strike force.

Using a rented tractor and trailer, ICC investigators, posing as a team of household goods drivers, visited about 28 scale operations in several mid-Atlantic and southeastern States and found that at about 22 of the scales visited, false weight tickets could be obtained. According to an ICC report, this operation provided information on the ease with which household goods drivers could obtain false weight tickets. This effort was publicized as a part of a CBS News "60 Minutes" program on weight bumping.

The ICC investigators visited various truck stops, scrap metal dealers, and agents of household goods carriers in Virginia, Maryland, North Carolina, and Georgia. Some findings of the undercover operation showed:

- The ease of obtaining a false weight by merely requesting one from the weighmaster or scale operator, or by other illegal means such as adding additional weight on the van or scale.
- The ease of obtaining blank weight tickets from a weighmaster.
- The willingness of a driver to place his heavier van on the scale and obtain a false weight so that an ICC investigator (posing as a driver) could "use" the weight ticket to bump a shipment.

Ad Hoc Staff Committee on Household Goods

To improve its compliance and enforcement in the household goods area, ICC established in 1978 the Ad Hoc Staff Committee on Household Goods. The committee, consisting of representatives from various ICC bureaus and offices, was to provide ICC with a systematic in-house mechanism for the review of household goods regulation policy. Its responsibility was to review and evaluate both the existing household goods regulatory data base and the results of the various special emphasis projects to be completed during the summer of 1978. The committee was further asked to recommend, based on problems it identified, future courses of action. The committee's activities were to be completed in January 1979. However, the committee's chairman said a report to the Chairman, ICC, would not be made until late April 1979.

Household Goods Carriers' Special Summer Enforcement Program

From June through August 1978, the Bureau of Investigations and Enforcement carried out a concerted effort to detect weight bumping and certain other violations of household goods regulations regarding charges and service. The program concentrated on reviewing shipments to three States where large numbers of individuals move during the summer--Arizona, California, and Florida. Trucks were checked at ports of entry in Arizona on Interstate Highways 10 and 40 at San Simon and Sanders, respectively, and at Florida entry points on I-75 near Lake City and I-95 near Yulee. One purpose of these checks was to detect the extent of weight bumping. Household goods trucks were weighed and documents on the shipments were examined at the four State-operated scales at these points. A total of 163 carriers were surveyed and about 5,700 vehicles transporting about 18,500 shipments were inspected at these scales.

As the trucks entered the weigh station, the gross weight of the entire vehicle was obtained and recorded. The sum of the billed weights and the estimated empty vehicle weight were compared with the gross weight obtained at the scales. When the latter weight was significantly less, weight bumping was suspected. These cases were referred to ICC in Phoenix, Los Angeles, Miami, or Orlando for possible reweighing before delivery.

Using the scales at the delivery point, ICC determined the shipment weight. ICC also used this to verify or deny the suspicions of weight bumps. However, all suspect shipments were not reweighed for a variety of reasons:

- There were very few reweighs on weekends.
- At some locations there were no ICC personnel available to observe the weighings.
- Some shippers would not permit the delays associated with the reweighings.
- Some shippers could not be contacted.

Exactly 300 shipments with suspected weight bumps, or about 1.6 percent of all the shipments checked, were reweighed at a destination scale. Of the 300 shipments, ICC identified 104 in which the billed weight exceeded the actual weight by at least 500 pounds. ICC allowed 500 pounds to cover possible scale inaccuracies. ICC is currently investigating these cases. As of March 1979,

36 cases had been closed or recommended for closure for lack of sufficient evidence, 65 were being investigated, and 3 cases were being considered for possible criminal prosecution.

In addition to weight bumping, ICC concentrated on 16 of its most significant regulations dealing with weights, charges, and service. It found approximately 16,500 violations and is seeking \$4.5 million in civil forfeiture demands against 45 household goods moving companies, including all 19 of the large national carriers that transport 79 percent of all interstate moves. The civil forfeiture demands, which are brought under the Federal Claims Collection Act, are subject to negotiation.

ICC believes the total violations of household goods regulations discovered and the alleged instances of weight bumping are very conservative. ICC says these figures are low because from the beginning of the program both the moving industry and its drivers knew that ICC and the States of Arizona, California, and Florida were cooperating in this joint investigation. ICC believes that many drivers who would have otherwise engaged in weight bumping may have refrained from doing so.

An ICC official told us that the alleged weight bumping data obtained could not be used to project the problem nationwide. An ICC Bureau of Economics evaluation also reported that the vehicles and shipments were not randomly selected throughout the Nation, nor at the ports of entry. Instead, they were selected on the basis of judgment and availability of personnel. The Bureau of Economics recommended that random sampling techniques be used in future compliance efforts to determine the amount of weight bumping throughout the Nation.

Special surveys to determine carrier compliance

In the summer of 1978, the Bureau of Operations conducted a series of special compliance surveys at carrier facilities to determine carrier compliance with ICC rules and regulations and to address the feasibility of establishing performance standards for household goods carriers. Although the surveys were not designed to determine the extent of weight bumping, some suspected cases of weight bumping were identified.

The special surveys reviewed 13 of the 19 household goods carriers holding nationwide authority. The 13 carriers transported about 65 percent of all interstate shipments during 1977. ICC randomly sampled and audited

documents for approximately 200 shipments per carrier. The Bureau checked the carriers' performance against 19 ICC requirements for transporting household goods shipments. Four of the requirements dealt with determining the weight of a household goods shipment.

ICC regulations require that a driver complete a Driver's Weight Certificate at the time of the gross weighing and give the original or a true copy of the certificate to the shipper at delivery. During the surveys, ICC found many instances where the carrier's files did not contain a copy of a Driver's Weight Certificate; and in other instances, the Driver's Weight Certificates found in the files were incomplete or improperly prepared. ICC identified many instances where the carriers allowed agents and drivers to ignore the requirement that the weighing take place at the scales closest to the point of loading. ICC also found many shipments were not weighed until the time of delivery. According to the ICC report, weight tickets of every description were found, many of them undated, unsigned, without any shipment identification, and with obviously altered or false entries.

As a result of the 1978 special compliance surveys, the Bureau of Operations made several proposals which they believe will help to deter the practice of weight bumping. These proposals, which are currently being reviewed by the Ad Hoc Committee on Household Goods, include:

- Providing that no person can be on board a vehicle at the time of tare or gross weighing.
- Permitting the shipper to observe both tare and gross weighing of the vehicle on which his shipment will be loaded.
- Requiring the carrier to give the shipper a free reweigh at destination when the shipper was not given a reasonable opportunity to observe both tare and gross weighing of the vehicle at the shipment's origin.
- Requiring that the full name of the scale and its address be written on the Order for Service.
- Requiring the driver, prior to each weighing, certify the Driver's Weight Certificate as to the date, time, specific location of the last fuel purchase. The certification should also list the total gallons purchased and a "yes" or "no" indication as to

if--as a result of the listed purchase--the fuel tanks were filled to the full normal capacity.

Widespread media coverage used to publicize weight bumping

In its October 1976 compliance statement, ICC noted that voluntary compliance is necessary to bring about a viable and effective transportation system. Believing that industry efforts at voluntary compliance have been too little and too late, the Director, ICC Bureau of Investigations and Enforcement, speaking before an industry board of directors in May 1978, stated:

" * * * public pressure must be brought to bear on the household goods industry to do more in the way of policing itself. Therefore, I believe that it is our obligation to inform the public of the fact that citizens are assuming the risk of fraud when their goods are shipped. Thus, I support the efforts of the Commission's communications office and of the news media in reporting weight bumping practices."

ICC has used press conferences and press releases to inform the public and the household goods industry of the goals of its enforcement program and the results of its actions. For example, in May 1977, the ICC Chairman held a news conference and announced an all-out enforcement campaign to eliminate weight bumping. Also, in July 1978, ICC officials held two news conferences revealing interim results of its summer weight bumping campaign. At that time ICC announced it had found consumer fraud for which it will seek criminal prosecution and possible revocation of some national household goods carriers' operating authority. However, at the time of this report, ICC had not brought criminal charges nor begun steps to revoke any carriers' operating authority for alleged fraud violations uncovered in its summer weight bumping campaign.

In one release, ICC contended that five household goods movers and an agent have violated ICC regulations by accepting false or altered weight tickets submitted by drivers, employees, or owner-operators under lease. If ICC finds that these carriers have engaged in the described practices, a possible suspension and revocation of operating authority proceeding could be instituted. ICC believes a successful revocation of operating authority from a major household goods carrier for weight bumping would have a dramatic deterrent effect on unlawful practices by the household goods industry.

In addition to utilizing the news media, ICC officials have made speeches to industry groups in which ICC warned the industry that the carriers were failing to address the issue of noncompliance with ICC rules and regulations. ICC has also held meetings with industry representatives and sent letters to national van line companies to explain that ICC plans to use all its available enforcement methods-- Federal criminal prosecutions, civil injunctions and forfeitures, and administrative proceedings--to eradicate weight bumping and other illegal practices.

Estimating moving costs

According to ICC, abusive practices in estimating moving costs have long plagued the interstate moving of household goods. In 1976, ICC instituted an investigation 1/ into the estimating practices of the household goods carriers. As a result of this investigation, ICC published a notice of proposed rulemaking 2/ in which ICC proposes to make estimates binding when furnished to shippers who pay their own moving expenses. The proposed regulations provide that charges for shipments offered by such shippers would be the lesser of (1) charges as determined by applying the carrier's tariffs, or (2) charges stated in the estimate given to the shipper. In ICC's opinion, the adoption of this rule would tend to eliminate some of the problems associated with weight bumping and to protect shippers from the higher charges which result from weight bumping.

The advantages and disadvantages of this proposal are discussed in chapter 4.

DOD MONITORING OF WEIGHTS

DOD has a large reweighing program involving over 10 percent of its household goods shipments but does not investigate further to identify cases of weight bumping. DOD moves approximately 650,000 shipments annually and has been active for many years in monitoring, through its own reweigh program, the accuracy of personal property shipments' weights. DOD verifies the accuracy of a shipment's weight by requiring that at least 10 percent of all domestic shipments be reweighed at the delivery point. DOD considers

1/Ex Parte No. MC-19 (Sub-no. 23), Practices of Motor Common Carriers of Household Goods (Investigation into Estimating Practices), 125 M.C.C. 307 (1976).

2/43 Fed. Reg. 18712, May 2, 1978.

domestic shipments to be out of tolerance, i.e., the shipment has a weight discrepancy, if the following conditions are found:

--For shipments weighing 5,000 pounds or less, if the destination weight exceeds the origin weight by at least 100 pounds.

--For shipments over 5,000 pounds, if the origin weight exceeds the destination weight by more than 2 percent of the lower net weight.

In 1976 because of an increase in the number of weight discrepancies, DOD intensified its program by reweighing as many domestic and international shipments as possible. Through reweighing shipments at the delivery points, DOD concluded that poor weighing practices contributed most to inaccurate weights. They also found that packing materials were usually left on the truck following the delivery of a shipment--thus affecting the net weight of subsequent shipments to be delivered. When a shipment's reweigh was observed, more shipments were found to have an incorrect weight than when the reweigh was not observed.

During calendar year 1977, DOD reweighed 24,185 of the 200,093 domestic shipments moved by motor van and found at least 13 percent of the shipments had weight discrepancies. A DOD official told us that weight discrepancies are not considered weight bumps and, to his knowledge, DOD has taken no actions against carriers because of weight discrepancies. He also stated that DOD has prepared a list of household goods carriers most often found to have weight discrepancies. Most shipments handled by these carriers are weighed at destination points. At the time of our review, DOD was in the process of compiling data on these reweighs.

A DOD official explained that the Military Traffic Management Command compiles and analyzes data on the DOD reweigh program. However, he stated that the Command has not identified any weight bump cases and has not requested investigation of any shipments that were out of tolerance. Further, the Command has not established procedures for systematically informing DOD installations about shipments that are significantly out of tolerance and warrant weight bumping investigation.

CARRIER ACTIONS ON WEIGHING PRACTICES

The household goods carriers have been concerned about improving the accuracy of shipment weights for years. Prior to 1977, several carriers had individual programs to detect

weight discrepancies. After ICC's May 1977 announcement of increased emphasis on household goods shipment weights, the moving industry formulated programs to monitor weighing activities. Programs vary among carriers but they generally include procedures to assure weight accuracy, scale ticket requirements to aid in weight verification, random reweighing of shipments to verify accuracy of weights, and educational programs to inform all drivers of ICC and company weighing procedures. Some carriers are using a private firm to investigate questionable weights. The carriers who have detected weight irregularities through their self-policing programs have handled the weight abusers by various methods, including warnings, fines, suspending and firing drivers, and either warning or terminating agents.

Industry program to assure accurate weights

The industry, through its national trade association, the American Movers Conference, established a top level management committee known as the Special Committee on Weighing Practices to develop a program to assure accuracy in weighing practices. The program, adopted in September 1977, contained recommendations to the individual household goods carriers in four areas: (1) basic weighing procedures, (2) reweigh program, (3) scale ticket audit program, and (4) education program. Industry officials told us that almost all carrier members have adopted their program.

The basic weighing procedure segment recommended that the household goods carriers:

- Use only certified platform scales which allow for the weighing of the entire unit (tractor and trailer) at one time.
- Use scales which have scale operators present.
- Use scale tickets that specify (1) scale operator and street address, (2) tractor and trailer number, (3) order or bill of lading number, (4) date of weighing, (5) tare or gross weight, and (6) weighmaster's signature.
- Obtain weights at the scale location listed on the order for service for moving a shipper's goods and report specific scale inaccuracies to the American Movers Conference for appropriate notification to all member carriers.

The reweigh program suggested that the carriers randomly select shipments for a supervised reweigh from all

shipments in transit at the time of selection. The committee also suggested that carriers reweigh shipments exceeding the estimate by 10 percent with a minimum of 120 pounds.

The scale ticket audit procedure recommended that carriers audit all scale tickets submitted by drivers to assure ICC regulatory requirements are being met. In addition, carriers should select weight scale tickets at random and verify for authenticity. Carriers are encouraged to contact the randomly selected scale facilities by telephone to confirm that shipment weight data and time obtained were as shown.

The program further suggested that each carrier develop an educational program to make all drivers aware of ICC weighing procedures and the more detailed weighing requirements of the American Movers Conference's program. The program emphasized that by assuring the drivers fully understand their weighing responsibilities, accurate weights should be obtained without deception to the moving public.

In February 1978 the industry added an investigative program. The purpose of this supplement was to encourage each carrier to utilize the service of a third party to investigate weight irregularities. Suggested guidelines for initiating an investigation were outlined. However, only the largest carrier members have implemented a program which utilizes the service of a third party to investigate suspected weight irregularities cases.

Carrier reweigh programs

The primary objectives of carrier reweigh programs are to insure that (1) to the fullest extent possible, the costs of a move are based on the correct weight of the household goods shipped and (2) whenever irregularities are uncovered, the shipper is given a prompt refund and appropriate disciplinary action is taken. Carriers use various methods for reweighing shipments: (1) random selection, (2) automatic selection when the actual charges exceed the estimated charges by at least 10 percent, and (3) shipper complaint of manipulated weights.

Procedure to determine if weight has been manipulated

A major household goods carrier outlined its investigative procedure if there is reason to believe a shipment's weight has been bumped. A weight investigation includes a review of the van loading and unloading sequence, reconstructing the shipment weight using the items on the

shipment's inventory, verifying the authenticity of the weight tickets with scale personnel, and taking a statement from the driver about how the weights are obtained. If the investigation determines that there was no weight bump, the driver is exonerated and the file closed. However, if it is clear that there is an actual weight bump, the driver is terminated from the carrier's service, the reason for termination is noted in the driver's personnel file, and a letter of apology and refund is immediately given to the shipper.

Results of carriers' reweigh programs

Heightened ICC activity to investigate, expose, and prosecute any individuals and companies found to be involved in illegal weight manipulation corresponds to action by household goods carriers to detect and punish those participating in illegal activities. Of the seven major carriers we contacted, six had reweigh programs and had punished weight abusers by various methods.

Carrier Action Against Weight Abusers (note a)

Type of action	Carrier					
	A	B	C	D	E	F
Drivers warned	0	49	(b)	22	20	(b)
Drivers fined	0	4	0	0	0	0
Drivers suspended	0	30	0	c/1	1	2
Drivers terminated	45	30	3	3	0	6
Agents warned	0	10	(b)	d/1	13	(b)
Agents terminated	11	0	1	3	0	2

a/Statistical information provided by individual carriers and not verified by GAO.

b/Carrier indicated that the practice occurs but the frequency of occurrence was not readily available.

c/Driver was also terminated and included in drivers' termination count.

d/Agent was also terminated and included in agents' termination count.

Hiring of private firm to investigate scales and their operations

In October 1977, the American Movers Conference hired a private investigative firm to examine two causes of weight irregularities in household goods shipments--fraudulent acts and scale inaccuracies.

The firm's investigative efforts, which were conducted from October to December 1977, focused in four U.S. geographic areas: (1) two northeastern States, (2) one southeastern State, (3) one western State, and (4) the Washington, D.C., area. The firm examined 57 scales selected randomly from 3,000 known scales within the four areas. The investigative techniques consisted mainly of hidden photographic surveillance, interviews with selected individuals knowledgeable in the areas examined, and local background investigations to establish the integrity and reputation of the facilities surveilled.

The investigative firm reported that most of the scales it investigated were very well operated and maintained. The firm concluded that the degree of State regulatory control regarding these scales was directly proportional to the efficiency and effectiveness of the operation. The firm also noted that agency-owned scales (scales owned by agents of national household goods moving companies) were of a better quality and displayed a more efficient operation than the privately owned or construction company-owned scales.

While this investigation discovered and reconfirmed scale-related problems plaguing the industry, its purpose was not to correct any specific problem area. The investigation did, however, provide the foundation for the American Movers Conference suggested program for investigating weight irregularities.

Updating of certified public scale directory

The American Movers Conference publishes the Mover's Scale Directory which is used by drivers to obtain the location of the nearest certified public scale. The directory uses information from detailed questionnaires sent to owners of certified public scales nationwide. However, in 1978 the American Movers Conference notified all scale owners, effective April 1979, that only scales meeting the following requirements will be listed in its directory. The scale owners must

- keep either a register or a log of weighings for at least 1 year;
- keep a copy of the scale ticket for at least 1 year;
- have a certified or otherwise approved scale operator present during all open hours;

- be State or locally approved as required in its respective jurisdiction;
- be certified, licensed, sealed, or otherwise approved within the applicable time limits applicable to the particular scale;
- use printomatic scale tickets;
- use preprinted scale tickets containing the scale name and address;
- use serialized scale tickets; and
- furnish the carrier an original and two copies of the scale ticket.

Other industry initiatives to assure accuracy in weighing

In addition to the above initiatives, the American Movers Conference has published placards and decals which briefly outline the ICC regulations for proper weighing of household goods shipments. The placards have been distributed to scale owners for posting in their weigh stations and the decals have been furnished to carriers for placement on each household goods tractor's dashboard.

In May 1978 the American Movers Conference's Board of Directors, along with about 1,200 members from all classifications of interstate and intrastate household goods carriers, adopted a resolution endorsing the proposed National Association of Regulatory Utility Commissioners' Model State Weights and Measures Act. The industry has encouraged each State to adopt this model act. The proposed act, among other things, provides specific guidelines and qualifications for persons engaged in commercial weighing and measuring activities, provides for (1) the periodic inspection of commercial weighing and measuring devices, (2) proper and reasonable enforcement of applicable law, and (3) centralized authority within each State over inspection and supervision of weighing and measuring activities, the promulgation of appropriate regulations, and the enforcement of applicable laws.

CONCLUSIONS

Despite the scarcity of information on the extent of weight bumping, the problem is a reality. Both ICC and the household goods industry admit weight bumping is a problem, but they have sharp differences of opinion as to the extent to which it exists.

ICC believes that weight bumping is a significant industrywide problem which occurs in about 1 out of every 10 interstate moves and costs consumers at least \$20 million annually in improper freight charges. On the other hand, the moving industry says weight bumping is a problem, but it is much less than ICC has publicized it to be.

We have no reason to believe the data publicized by the Chairman, ICC, accurately reflects conditions in the moving industry because there was no evidence of the extent of weight bumping. Furthermore, ICC had not performed any study to quantitatively support its claim.

As already demonstrated in chapter 2, weight bumping can easily be accomplished but, as demonstrated in this chapter, is not often identified. We believe that ICC should initiate a study using acceptable statistical sampling methods to determine, if possible, the magnitude of the weight bumping problem.

Both ICC and the household goods industry recognize that weight bumping is a problem. ICC's undercover operation gathered some valuable information on the practice of scale operations and drivers' compliance with ICC weight regulations. The summer household goods program, in our opinion, increased (1) the public awareness of potential weight bumping and (2) household goods carriers' awareness of ICC's compliance policy. This effort may have deterred some weight bumping. However, we believe the effectiveness of the ICC actions as a long-term compliance tool is limited because the operation was widely known in the industry and was of short duration.

After ICC began its summer road checks, drivers quickly learned where the check points were located and when they were in operation. We believe that in the future random checks may provide data just as valuable. Through the road checks, ICC developed evidence of weight bumping violations which are currently being investigated. In our view, it is easy to find weight discrepancies; however, it is extremely difficult to prove willful weight bumping without an eye witness.

Some carriers, mainly the larger ones, have either initiated or expanded their programs to detect weight bumping. If properly implemented, we believe these programs should help the shipper to obtain accurate weights.

DOD reweigh data is not used to identify cases of weight bumping and related overcharges paid by the Government. Nor

is the data used to identify suspected weight bumps for investigation and prosecution. We believe that the use of reweigh data to help identify and investigate probable weight bumps could be an effective deterrent to the problem.

RECOMMENDATIONS TO THE CHAIRMAN,
INTERSTATE COMMERCE COMMISSION

We recommend that the Chairman direct a comprehensive study to identify the extent and various characteristics of weight bumping so that ICC may better quantify the extent of the problem and thus address weight bumping with the appropriate level of investigative and enforcement effort.

We recommend also that the Chairman establish unannounced periodic inspections at weigh stations with State assistance, and investigations in an attempt to reduce the practice of weight bumping. We also recommend that the results of these programs be made known to the industry and to the general public.

RECOMMENDATION TO THE SECRETARY OF
DEFENSE

We recommend that the Secretary direct the Military Traffic Management Command to develop procedures for identifying shipments that warrant investigation for possible weight bumping and for providing the information to the proper DOD organizations for investigation.

CHAPTER 4

ALTERNATIVE METHODS OF CHARGING FOR

MOVING HOUSEHOLD GOODS DO NOT SEEM PROMISING

There are several alternative methods, other than weight and distance, which could be used to charge for moving household goods but each method has its own peculiar weaknesses. To assure accuracy, each alternative requires controls and enforcement procedures. It is not clear, without extensive testing, that a new method would be subject to less problems than the current method. Some of these alternatives are discussed in this chapter.

BINDING ESTIMATES

In May 1978 the ICC proposed binding estimates in response to shipper's complaints that carriers, or agents, intentionally give low estimates--called low-balling--to secure their business. Under the ICC proposal shippers would pay the lower of estimated cost or the "actual" weight-mileage charge.

Proponents say binding estimates would bring about rate competition, force carriers to operate more efficiently, and eliminate disputes between carriers and shippers over ICC's 110 percent rule. (When actual charges exceed the estimate by more than 10 percent, the carrier must deliver the shipment upon payment of 110 percent of the estimate. The shipper has 15 days following delivery, excluding weekends and holidays, to pay any remaining amount.) Carrier and some ICC officials oppose a binding estimate because

--Estimating is not a reliable process.

--An unrealistically high estimate might be given when it appears that competition is very limited.

--Drivers may take advantage of high estimates and bump shipments up to the estimate.

--Shippers often change their minds about what they intend to ship, even after an estimate has been provided. Therefore, carriers and shippers might encourage delays if a second estimate is required because of changes by the shipper.

VOLUME-BASED CHARGES

Prior to 1939, charges for household goods moves were based on volume rather than weight. ICC adopted the current

weight-distance method because carriers could increase volume by loose packing and loading (called "fluffing") and shippers had no reasonable means of verifying the accuracy of volume or charges. Problems associated with this method have not changed.

A volume-based method of charges has at least two other shortcomings. Differences between movers' estimates and actual charges would be more difficult to verify than under the current system, and charges would not be equitable because two items of the same size but differing weights would cost the same to ship. An hourly charge could be added to compensate for the greater loading and unloading time required for a heavy shipment, but this would not compensate for greater equipment wear and fuel consumption.

CONTAINER-BASED CHARGES

One major carrier we talked with hauls a small portion of its shipments in large metal containers loaded on flatbed trailers. Known as containerization, this method removes the incentive to weight bump by basing charges on the number of containers used and the distance they are transported. Further advantages of the method are (1) shippers may pack and load their goods and (2) costs are lower because standardized containers are easily handled and are transported between cities on a regular schedule rather than on shipper's demand.

Industry officials said that while containerization may become an attractive alternative the industry will have to overcome problems with logistics and investment costs. A system will be needed to insure that containers are available when and where needed, and substantial investments will be required. The present cost of a 280 cubic foot fold-down container is about \$700.00.

PIECE RATE

A system could be developed which would specify a tariff for moving individual household items. While such a method could eliminate the incentive to weight bump, disparities are inherent because household items of like kind vary greatly in size and weight.

HOURLY

Many intrastate moves are performed on an hourly basis and involve a relatively short distance between origin and destination. ICC officials said this method would not be practical for an interstate move which takes several days,

or even weeks, and frequently involves temporary storage. One problem would be how to pay the driver for a partial load and whether to pay for actual time spent or an estimate of the time allowable.

CONCLUSIONS

While there are many possible methods to base charges for household moves, no method appears free of potential problems. We agree with industry and ICC officials who believe that the current system of basing charges on weight and distance adequately associates shipper charges with the cost of providing services. We believe that realistic and inexpensive controls over weight accuracy will alleviate many of the basic concerns with the present method.

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United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

July 17, 1978

JAMES R. CALLOWAY
CHIEF COUNSEL AND STAFF DIRECTOR

Honorable Elmer Staats
 Comptroller General
 General Accounting Office
 441 G Street, N.W.
 Washington, D.C. 20548

Dear Mr. Staats:

Recently it has come to my attention that the Interstate Commerce Commission has, for some time, been actively pursuing possible violations in the movement of household goods by use of the so-called "weight-bumping" practice. During the past year or more, the ICC has issued several statements that such practices may be widespread and that the public should be wary of household goods movers. Yet, it is my understanding that only one case of such a violation has been recommended for prosecution by the ICC as a result of its investigations.

I believe that we should be doing all we can to track down and eliminate abuses in this area. However, I am concerned that the approach taken by the ICC of labeling the entire household goods moving industry as potential abusers is uncalled for and is a disservice to the public and the vast majority of those in the household goods moving business who do their work in a fair and efficient manner.

Therefore, I hereby request that you assign an appropriate number of personnel to investigate this problem of weight-bumping with a view toward determining how widespread the practice is, whether there are appropriate alternatives in determining a proper rate in household goods movement, and including recommendations for appropriate legislation that would facilitate improvements in this area. One possibility that comes to mind is that of establishing a program of grants-in-aid to the states, which would assist them in the employment and training costs of weight inspection personnel. As you know, similar programs in the areas of pipeline and railroad safety have been in existence for some time. Apparently there is a substantial lack of such personnel throughout the country. Some states have no such inspectors and others perform inspections only once a year. Obviously, the potential for abuse through weight-bumping is heightened by the lack of adequate inspections.

I would very much appreciate having the results of this audit in time or use next spring in connection with the hearings of the Transportation Subcommittee. Please let me or Jim English of the Transportation Subcommittee staff know if we can assist you in the conduct of your work.

With kindest personal regards, I am

Sincerely,



Birch Bayh
Chairman
Subcommittee on Transportation
and Related Agencies

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