



Highlights of [GAO-07-586](#), a report to congressional committees

## Why GAO Did This Study

The Department of Transportation's (DOT) Federal Motor Carrier Safety Administration (FMCSA) is responsible for protecting consumers involved in interstate household goods moves by issuing regulations and conducting oversight and enforcement actions. The Safe, Accountable, Flexible, Efficient Transportation Equity Act—A Legacy for Users (SAFETEA-LU), enacted in 2005, included provisions to enhance consumer protections for household goods moves and mandated that GAO study (1) the protections federal laws and regulations provide to consumers of *interstate* household goods moves and the effectiveness of federal enforcement efforts, (2) the protections states provide to consumers of *intrastate* household goods moves and how they have affected consumers and movers, and (3) the potential effects on both consumers and interstate movers if movers were subject to state consumer protection laws. To address these issues, GAO analyzed federal and state legislation, federal complaint and enforcement data, and interviewed federal and state officials.

## What GAO Recommends

GAO recommends DOT develop a strategy with performance goals and measures for its oversight and enforcement of the industry and take some additional actions. DOT agreed to consider the recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-07-586](http://www.gao.gov/cgi-bin/getrpt?GAO-07-586).

To view the full product, including the scope and methodology, click on the link above. For more information, contact JayEtta Hecker at (202) 512-2834 or [heckerj@gao.gov](mailto:heckerj@gao.gov).

## CONSUMER PROTECTION

# Some Improvements in Federal Oversight of Household Goods Moving Industry Since 2001, but More Action Needed to Better Protect Individual Consumers

## What GAO Found

Federal laws and regulations require FMCSA to provide protections for the 1.6 million consumers who annually hire interstate movers, but FMCSA lacks the information to determine the effectiveness of its efforts. SAFETEA-LU increased licensing requirements for interstate movers, enhanced existing federal authority and expanded it to allow states to bring actions against interstate movers in federal and state courts, although there is no indication that any state has yet exercised this authority. However, states are still prevented from regulating interstate household goods movers. FMCSA took several steps to improve oversight of household goods movers, including increasing compliance reviews from 13 in 2001 to 562 in 2006, increasing enforcement actions from 5 in 2001 to 72 in 2006, expanding consumer education efforts, and establishing a complaint database. However, FMCSA is precluded from resolving individual complaints and, as a regulatory agency, lacks authority to force movers to relinquish goods held illegally. Also, FMCSA has not established a strategy to measure the overall effectiveness of its household goods enforcement efforts.

All six states we visited have laws that protect consumers from false and deceptive trade practices and allow consumers to receive compensation from intrastate movers for amounts greater than the cost of the actual lost or damaged goods. For example, consumers in five of the states we visited can receive a monetary award up to three times the amount of the actual damages. Additionally, all six states have laws governing intrastate movers but vary in their licensing, oversight, and enforcement requirements. For example, four of the six states GAO visited have licensing requirements such as background checks and evidence of financial fitness, in addition to the requirement that applicants provide proof of insurance; and two states have changed their laws to allow local law enforcement authorities to aid consumers whose goods are held hostage. State and moving industry officials told GAO that these actions had a positive effect on both consumers and legitimate movers.

The application of state consumer protection laws to interstate movers has the potential to enhance protections for consumers, but may not be helpful in addressing the problem of movers who operate illegally and may increase costs. If state consumer protections were applied to interstate movers, consumers would have the opportunity to resolve their disputes in state court. However, industry officials GAO contacted told us illegitimate movers would likely fail to appear in court and may not comply with any judgments. Moving industry officials strongly oppose the application of state consumer protection laws to interstate movers, pointing out such action may increase their costs, which could be passed on to consumers. However, some state officials we interviewed did not think that legitimate movers' costs would increase due to regulation.