

Testimony of Reana Kovalcik
Senate Committee on Commerce, Science, and Transportation
“Taking Consumers for a Ride: Business Practices in the Household Goods Moving
Industry”
September 20, 2012

Thank you, Chairman Rockefeller, Ranking Member Hutchison, and Senator DeMint for inviting me to speak with you today about my experience with moving carriers and brokers who engage in fraudulent business practices, changing agreed upon rates and in some cases, like mine, holding goods hostage and extorting exorbitant fees for their return. My name is Reana Kovalcik and I am originally from Chicago, now living in New York City. I am 28-years-old and work for a non-profit organization focusing on curbing childhood obesity.

In March of 2010 my boyfriend, Ross Heran, and I began the process of arranging a move from Chicago to New York City. At the time, I was already living in New York, having moved in September of 2009 to begin graduate school. In March 2010, Ross was able to join me and move the remainder of our apartment. When we began the search for movers, price was the most important factor. Ross was still completing his graduate degree in Digital Cinema, and I was only working part time in New York. In our previous moving experiences we had always rented our own truck and hired movers only to load and unload; it was a relatively simple process and one with which we felt comfortable. This was our first time moving between states, and we were not familiar with the companies who undertook interstate moves or the process of an interstate move. Using online search engines and a moving company search site called Vanline.com, we looked for companies that were based in Chicago that could do an out of state move and compared their prices. All of the companies, whether via online form or phone conversation, asked how many rooms we had and roughly the size and weight of our belongings. We received quotes from four

companies. The quotes ranged from \$950 to \$2,000. The most expensive was an in-person quote given after a site visit. We had also priced out the cost of moving ourselves via U-Haul, which was roughly \$876 for the truck alone.

After assessing all of the quotes, we decided that \$950 was still more than we wanted to pay, and that we would move ourselves with a U-Haul rental truck. We gave our response to all four companies. Only World Wide Van Lines responded with a new offer, offering \$898, approximately \$100 less than their original estimate of \$999. Since we would have to deal with finding people to help us both in Chicago and NYC as well as making the cross-country drive in the truck if we went with the U-Haul option, we decided to go with World Wide Van Lines. We paid World Wide an original deposit of \$198.95 online with our credit card and scheduled the move for April 10, 2010. The remainder of the payment was to be paid when our items were delivered to our new apartment in NYC. At no point in our correspondence with World Wide did they indicate to us that they were a broker. It was also not outlined in any of the materials or emails we exchanged with them. It wasn't until the movers were over 5 hours late for the original loading time that we reached World Wide over the phone, who then told us that they would not be moving us, but that a company called Able Moving would be.

Had Able Moving been part of our original search for companies, we would never have selected them. A cursory Internet search of their name brings up terrible reviews on several rating agencies. However, since we had virtually no say in who was moving us, having thought we were contracting with World Wide for the move, we accepted that this was the company who would be doing the physical moving. After the Able movers finally arrived at our apartment, World Wide was no longer in the picture and things began to fall apart.

Once the Able movers finally arrived, our belongings were loaded into their truck, having been pre-packed by us. Ross was given and signed a Bill of Lading, which confirmed the original estimate amount given to us by World Wide and left space for any additional moving supplies needed- of which we used none. The “guaranteed delivery date” given to us by Able Moving was Wednesday April 14, 2010. After our move date had come and gone and with no contact from or ability to contact Able Moving, we finally received a call from a Ms. Tracie Terman (Able Representative), on Thursday, April 15th telling us that our belongings wouldn’t be delivered until Saturday, April 17th and that we now owed \$2,000. Able claimed that we were being charged for packing materials, of which we used none, and for the additional weight of the truck. Although we asked for a reweigh of the truck, to which we had determined we were legally entitled, we were never provided with the actual weight of our items. We attempted to reason with Able and negotiate the delivery of our belongings, but were met only with verbal abuse and demands for the money.

When we finally consented to pay the \$2,000 upon delivery, the Able movers arrived in an unmarked truck, supposedly containing our belongings, on April 18, 2010. The movers demanded cash on delivery, but were unable to provide us with contracts that justified the new amounts. When we were first notified by Able of the new charges we had contacted the police for advice, who suggested that we call them when the movers arrived in case there were any problems. Because the movers had brought no new documentation and were being extremely hostile, we called the police. Before they arrived, however, the movers took off in the truck with our belongings. Worried that we would never find our belongings again, Ross attempted to follow the vehicle to ascertain the location to which our items would be taken. Although the Brooklyn police called the drivers, were able to speak with them and instructed them to return to the house, they

never did so. The drivers drove around New York City for several hours and then into New Jersey.

The drivers were pulled over in Little Falls, New Jersey after Ross called 911 and reported the license plates. The officer on the scene spoke with the truck drivers and instructed them to give Ross the location of the storage unit where we could pick up our things. They told police they would do so, and told us they would be taking our things to a facility in Pennsylvania and that Able would contact us with the storage location. We then arranged with Ross' family to meet us in Pennsylvania so that they could help us load the storage unit. However, after we had already arrived in Pennsylvania, we were informed by the Able representative that the location had been a false one and that our things would be in storage in an undisclosed location until we wired money into their bank account.

Not willing to wire the money to a company we had by then realized was running a scam, we requested that our family lawyer (Matt Kovalcik) deliver the demanded amount to Able so that we could obtain our things. We acquiesced to paying this amount, seeing no other recourse, so that we could receive our belongings and pursue legal action against Able afterward. When Mr. Kovalcik attempted to deliver the check in person, we discovered that Able has no physical presence in Chicago, although they claim to be a Chicago-based business. Their advertised address, 730 W Lake Street, is only a mailbox. Several other addresses we found for the business proved to be residential units. During this time we had also been working with the local Chicago Alderman, Scott Waguespack, in whose district one of the Able addresses was located. Alderman Waguespack was able to confirm that the secondary address we had found for Able was a condo building.

Since Able had again ceased taking our calls, I attempted to reach them by calling from a

new number so we could ascertain just where the company Able Moving LLC was located. The Able representative answered the call from the unrecognized number and disclosed to me (without at the time knowing my name or relationship to Mr. Heran) that there was in fact no actual company in existence in Chicago. She told me that all Able employees work from home and that she operates the company from her home in Naperville, IL. At this point in time we began working with Alderman Waguespack to file a case against Able with the Chicago Department of Business and Consumer Affairs for fraudulent business practices. Eventually our lawyer, Matt Kovalcik, was able to convince the Able representative to meet in person on April 21, 2010 so that we could deliver the demanded amount and receive the location where our belongings were being held. Mr. Kovalcik, and my mother, Juliana Kovalcik, met the Able representative in Aurora, Illinois and gave her a money order for \$2,434.34 in exchange for the address and storage key where our belongings were being held, which turned out to be a Public Storage facility in New Jersey.

Upon receiving the storage key a few days later in the mail from my mother, Ross and I had to rent another moving truck and drive to New Jersey to load our things. After opening the storage unit we found that our things had been smashed and thrown together; almost all of our furniture had been destroyed beyond repair. Several other items were also damaged or destroyed including framed artwork. We found that Able had removed the protective packaging in which we had wrapped our furniture and that many of our boxes had been opened and the contents thrown into boxes labeled Able Moving, LLC. We also found several empty boxes, which were full of our protective packing material that they had stripped off. We believe the items were repackaged to justify the fraudulent copy of our Bill of Lading, which our lawyer was given during the money exchange.

The contracts, copies of which are included in my supplemental materials, were filled in with additional charges *after* Mr. Heran had signed them. Since we never received an original, a carbon copy, or even a scanned copy (until much later) we were unable to effectively fight the charges. What you may note, even from the scanned copy, is that Mr. Heran's signature is clearly in a pen type that does not match the rest of the document, while the date was filled in by another party. None of the materials charged on the scanned contract were on the original contract signed by Mr. Heran.

After unpacking our things and assessing our damages from the New Jersey facility we realized that many of our things are missing still missing. After several calls and emails again to the Able representative, we finally reached her and were told that "12 or 13" of our boxes never left Chicago. The Able representative claimed on the phone that these items would be returned to us without charge. On April 29th we were told via email that the items would arrive within a week, on May 5th we received another email saying the items were still five days out. Later that week we finally received our second shipment of goods, in another unmarked truck. These boxes were also damaged and as we unpacked them we confirmed that a large quantity were still missing, with many of our most expensive goods stolen.

In our final assessment we estimate that approximately \$10,000 of goods were missing/stolen, or damaged beyond use, in addition to the many sentimental items that were damaged or missing. Although it took over three months for our belongings to be delivered, this ordeal has stretched out over almost three years. We filed paperwork with every agency we could think of, the Federal Department of Transportation, the Illinois Attorney General, the Chicago Department of Business Affairs and Consumer Protection, and the Department of Justice. To date only the Chicago Department of Business Affairs has pursued our case, and

after an October 13, 2010 hearing, at which I testified, they ruled that Able was responsible for \$34,040 in fines and \$3,332.00 in restitution to Ross and me. However, the Chicago Department of Business Affairs was never able to collect from Able Moving and we have yet to receive any compensation from the case. We were finally able to recover \$3,770.63 through our renter's insurance, but this can't replace many of the sentimental items that were lost.

Throughout this process I have been continually surprised and disappointed at the lack of legal recourse we have had. The police did not want to help us and most of the other offices or agencies that we contacted were not willing or able to assist us. If it hadn't been for my experience working in local government we might never have had any traction with the Chicago Department of Business Affairs. Because I had the necessary knowledge to realize the importance of filing complaints with all the aforementioned agencies, I stand before you today to relay this story. However, it is my personal opinion, as I have sought out and spoken to other victims of this type of fraud, that there are countless other victims who did not have this knowledge and whose stories likely remain unreported.