# BUREAU OF HOUSEHOLD GOODS AND SERVICES

DEPARTMENT OF CONSUMER AFFAIRS

# BUREAU OF HOUSEHOLD GOODS AND SERVICES

Yeaphana La Marr Acting Bureau Chief

# SB 19 (HILL, CH. 421, STATUTES OF 2017)

- ➤ SB 19 transferred administration of the Household Goods Carriers Act to the Bureau effective July 1, 2018
- Renamed the Act to the Household Movers Act and placed it in Chapter 3.1 of the Business and Professions Code (BPC)
- > Bureau received 11 positions from PUC

#### **BUREAU ACTIVITIES**

- Licensing Unit Update
- > Enforcement Unit Update
- Policy Unit Update

# LICENSING UNIT

Jacqueline Castro
Licensing Manager

### TRANSFER APPLICATION REQUIREMENTS

- Complete Transfer Application and submit with fee of \$150.
  - Sole Proprietor to Corporation or LLC
  - New Ownership

# HOUSEHOLD MOVERS PERMIT STATISTICS

- > Issued Permits by the Bureau
- > Number of Active Permits

# HOUSEHOLD MOVERS INSURANCE REQUIREMENT

- > Public Liability & Property Damage
- > Cargo Liability
- > Workers Compensation

# 2021 QUARTERLY REPORTS

- > First quarter reports are due
- May 17, 2021
- > First quarter revenue collections

# CHANGE OF INFORMATION

- Mailing Address
- Business Address
- > Phone Number
- > Email

# APPLICATION WORKSHOPS

- Locations
  - Northern and Southern
     California

# EFFECTIVE COMMUNICATION

- Responsiveness
- > One-on-One Contact
- > Accessibility

# ENFORCEMENT DIVISION

Rick Villucci
Supervising Special Investigator II

# UNPERMITTED MOVERS

The underground
 economy costs
 California residents
 billions of dollars
 every year



# BPC SECTION 19237

- It is a misdemeanor for any person to engage in the business or act in the capacity of a household mover in California without a BHGS permit
- ➤ Vehicle Code 22655.5 used in the commission of a crime (impound)



## ENFORCEMENT OPERATIONS

- Reorganizing the Enforcement Division to enhance the overall effectiveness of our operations.
- Intake Analysts will conduct desk investigations for minor HHM violations, which will provide additional time for field investigators to conduct sting and sweep operations.

# ENFORCEMENT OPERATIONS

- For example, Intake analysts will investigate and take appropriate action dependent on the evidence they have collected, including:
  - Issuing an Administrative Citation
  - Issuing a Violation Warning Letter
  - Citing Unpermitted Movers for Advertising without a Permit
  - Designating Unpermitted Movers as Sting Candidates
  - Referring Criminal Violations to Field Investigations

#### NETWORKING WITH OUTSIDE AGENCIES

- California Department of Insurance
- County District Attorney Investigators
  - Penal Code § 633 Surreptitiously Recording
  - Prosecution of HHM Cases
- Local Police and Sheriff's Departments
  - Backup at Sting and Sweep Operations
  - Run all Suspects for Wants and Warrants
  - Arrest and Transport for Outstanding Warrants

#### **OUTREACH ACTIVITIES**

- Provide all suspects with HHM permit applications when contacted
- Participate at disaster relief centers to provide consumers with information on hiring properly permitted movers who have workers' compensation insurance

#### ENFORCEMENT STAFF TRAINING

- PC 832 Laws of Arrest Search and Seizure (3/2021)
- Miranda Rights (3/2021)
- Proper Use of State Issued Identification (3/2021)
- Proper Use of "A" Cards / Cold Plate Vehicles
- Workers' Compensation Insurance Rating Bureau
   (MOU used to verify workers' compensation insurance)

#### CALIFORNIA CODETRAINING (ONGOING)

- Labor Code § 3700.5 (Misdemeanor)
- > Insurance Code § 11880 and § 11760 Premium Fraud (Felony)
- Penal Code § 484 Theft (Misdemeanor)
- Penal Code § 487 Grand Theft (Felony)
- > Penal Code § 368(d) Financial Elder Abuse (Felony)
- Penal Code § 459 Residential Burglary (Felony)
- Penal Code § 505 Embezzlement (Felony)
- Penal Code § 518 Extortion (Misdemeanor)
- Penal Code § 182 Conspiracy (Misdemeanor / Felony)
- > Vehicle Code § 22655.5 Vehicle Used in the Commission of a Crime (Impound)

#### ENFORCEMENT PRIORITY FILING OF CASES

- > Criminal (beyond a reasonable doubt)
- > Administrative (preponderance of the evidence)
- > Federal (administrative)
- Civil BPC § 17200 & § 17500 Unfair Business
   Practices (normally filed with DA)

#### TARGET IDENTIFICATION / RESEARCH

- > Online advertisements
- > Business cards
- > Flyers
- > Tips from the public and industry
- Consumer complaints

#### ENFORCEMENT STING FILES BY COUNTY

- What are Sting Files?
- All Enforcement staff will file leads, tips, etc. in the respective county sting file for future sting operations throughout California
- Sting Houses Needed Statewide

#### UNDERCOVER STING AND SWEEP OPERATIONS

- At least 3 sting operations will be conducted each month statewide.
- > Sweep operations will be conducted at storage facilities and warehouses to identify unpermitted movers and violations of workers' compensation insurance requirements.
- > Proactive enforcement is a high priority of the Enforcement Division.
- > Goal to file a minimum 250 HHM criminal cases next fiscal year.

#### CONVICTION INVENTURA COUNTY

Unpermitted mover, Jason Ellis, pled guilty to a felony violation of Penal Code section 505 (embezzlement by a carrier) and a misdemeanor violation of Business and Professions Code section 19237 (unpermitted household mover). He has agreed to pay restitution of \$13,000 as part of his sentence. Additionally, Ellis will be sentenced to up to 180 days in jail and placed on formal probation.

# HELP US HELP YOU!

- > You can assist by providing contacts for possible sting houses.
- > Email advertisements for unpermitted movers.
- > Email leads on active moving projects.
- > Use the following email address for your confidential referrals:

BHGS.HHM@dca.ca.gov

Rick Villucci, Supervising Special Investigator II

# POLICY UNIT

Yeaphana La Marr, Policy Manager

# ROLES AND RESPONSIBILITIES

- > Legislative proposals
- > Regulatory proposals
- Interpret existing law and implement new laws
- > Provide staff training

## ROLES AND RESPONSIBILITIES

- ➤ Issue HHM Policy Guidance
  (industry advisories, technical assistance to the Legislature, permitholders, consumers)
- > Update the Tariff Every December
- Perform Fee Study per Business and Professions Code § 19240 (c)

# 2021 LEGISLATION

➤ AB 224 (Daly) – Department of Consumer Affairs: Bureau of Household Goods and Services: household movers

Would grant an exemption from Bureau household mover permit requirements for storage container delivery companies when the container is packed by a person other than an employee or agent of the storage delivery company.

# REGULATORY PROPOSALS

- > Enforcement Regulations
  - Submitted to Department of Consumer Affairs in July 2019
  - Stalled public comment period TBD
  - Impetus for employing criminal enforcement strategy and entering into MOA with FMCSA
- Licensing Regulations
  - Public workshop was scheduled March 25, 2020
  - Reschedule when travel resumes and can safely gather

## MEMORANDUM OF AGREEMENT

- Agreement between Bureau and Federal Motor Carrier Safety Administration (FMCSA)
- > Access to federal databases
- > Authority to enforce federal laws against inter-state movers
  - Bureau takes enforcement action on behalf of FMCSA
  - Significantly higher fines will be retained by Bureau
  - Does not preclude other enforcement action

# **OUTREACH ACTIVITY**

- Department of Consumer Affairs
- > Department of Real Estate
- Licensing FAQs

# OTHER PROJECTS

#### > Consumer FAQs

- Draft is complete and being edited
- Will be posted to the Bureau's website and an email to the interested parties and social media will announce its posting

#### > Updated Code Book

- Draft is complete, will publish when Act is amended
- Includes other codes that must be followed by household movers
- Index planned

# CONTACT US

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