

Department of Justice

U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

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Moving Company Owner Pleads Guilty to Bait-And-Switch Scheme

BOSTON – The owner of a South Florida moving company pleaded guilty today in U.S. District Court in Boston in connection with a scheme that defrauded over \$112,000 from 52 victims.

Louis Massaro, 34, of Scottsdale, Ariz. and Pompano Beach, Fla. pleaded guilty to an Information charging him with one count each of conspiracy to commit wire fraud, money laundering and failure to return household goods. U.S. District Judge Rya W. Zobel scheduled sentencing for Feb. 9, 2016.

Massaro owned and operated Moving and Storage Inc., which did business as Neighbors Moving and Storage (NM&S). Although Massaro advertised as a mover of household goods, he operated NM&S as a broker of such services – taking jobs that would later be passed on to other carriers without disclosing that fact to the clients. One of the companies to which Massaro passed on contracts was an interstate carrier of household goods based in Massachusetts.

From approximately August 2010 to October 2012, Massaro and his co-conspirators operated a “bait-and-switch” operation in which Massaro, through NM&S, would provide low-ball estimates for moving household goods and falsely tell customers that upon payment of a deposit and a “binding” fee, the price would be guaranteed. Customers that contracted with NM&S were never told that the actual move would be completed by another carrier.

After customers made the initial payments, Massaro and his co-conspirators (the actual carrier) would obtain additional money from them in several ways. For example, once the 7-day cancellation period had passed, employees of NM&S would call the customers for a so-called “Quality Assurance Check.” While discussing the items to be moved, NM&S employees, under Massaro’s direction, would indicate that there were more items being moved than originally quoted and raise the quoted price. Customers were forced to elect between cancelling the contract and losing their deposit fees, and paying the higher amount.

Once Massaro’s co-conspirators arrived to conduct the move, the drivers would inform customers that there was more weight to be moved than was included in the binding quote, even in those instances where the price had already been increased during the “Quality Assurance Check.” At that point, the price of the move would increase by thousands of dollars – sometimes even doubling or tripling from the quoted estimate, and drivers were directed not to deliver any goods unless and until all money was collected. When a customer refused to pay the inflated price, they were informed that their household goods would be placed in storage, that they would have to pay before their goods would be delivered, and that they would be billed an additional amount of money for storage fees and re-delivery, or, alternatively, that their goods would be sold at auction. As a result of Massaro’s criminal scheme, victims lost \$112,650 over the 26-month period.

The charge of conspiracy to commit wire fraud provides a sentence of no greater than 20 years in prison, three years of supervised release and a fine of \$250,000. The charge of money laundering provides a sentence of no greater than 10 years in prison, three years of supervised release, and a fine of \$250,000. The charge of failure to return household goods provides a sentence of no greater than two years in prison, a \$250,000 fine, and one

year of supervised release. Actual sentences for federal crimes are typically less than the maximum penalties. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

United States Attorney Carmen M. Ortiz; Harold H. Shaw, Special Agent in Charge of the Federal Bureau of Investigation, Boston Field Division; William P. Offord, Special Agent in Charge of the Internal Revenue Service's Criminal Investigations in Boston; Theodore L. Doherty, III, Special Agent in Charge of the U.S. Department of Transportation, Office of Inspector General, Office of Investigations; and Cheryl Garcia, Special Agent in Charge of the U.S. Department of Labor, Office of Inspector General, Labor Racketeering and Fraud Investigations, New York Regional Office, made the announcement today. The case is being prosecuted by Assistant U.S. Attorney Jordi de Llano of Ortiz's Major Crimes Unit.

Consumer Protection

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