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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEB SITE: <http://commerce.senate.gov>

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September 25, 2012

Mr. Qi Lu
President of Online Services Division
Microsoft Corporation
One Microsoft Way
Redmond, Washington 98052

Dear Mr. Lu,

For the past year, the Senate Committee on Commerce, Science, and Transportation has conducted an investigation into a set of business practices that are being used in the household goods moving industry. This investigation has documented a number of troubling practices that certain companies use to confuse and mislead consumers while they are shopping for the services of a moving company. Because some of these practices involved consumers' use of Internet search engines, I am writing to share the findings of this investigation with you.

Congress and law enforcement authorities have been working for years to protect American consumers from "bait and switch" moving scams, where moving companies agree to move consumers' goods for one price, but then dramatically increase the charges after they have taken physical possession of the consumers' property. In some cases, moving companies will refuse to deliver consumers' goods at their new homes unless they pay these exorbitant extra charges, a practice commonly referred to as holding consumers' goods "hostage."

A Commerce Committee staff report released last week showed that the unscrupulous moving companies involved in these scams are adapting their marketing techniques to consumers' changing shopping habits. As more consumers use the Internet to research moving companies and arrange moves, they are unfortunately encountering Internet-based "moving brokers" that are making misleading and confusing claims to consumers.

Through Internet searches, consumers identify what appears to be a reputable moving company and hire it to move their goods after the company has provided them a "binding estimate." The company's name is often very similar to well-known, respected brands like Budget Truck Rental or United Van Lines. During its negotiations with consumers, the company fails to clearly disclose that it is a moving broker, and that it will not be performing the actual move. The company also collects a substantial broker fee, but tells consumers this payment is a "deposit" for the move.

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On moving day, these consumers are surprised when a different moving company shows up to conduct the move and demands additional fees, which are sometimes thousands of dollars more than the amount quoted in the original estimate. If consumers do not pay these exorbitant charges, the movers sometimes refuse to perform the move or hold their goods hostage. I have enclosed a copy of the Committee staff report with this letter to provide you more information about Internet moving brokers' questionable practices. Section III of the report contains a detailed description of how these companies operate.

In our review of hundreds of consumer complaints and in our interviews with dozens of injured consumers, they very consistently reported that they had found these Internet moving brokers after entering general search terms (e.g., "Miami Movers," or "long distance moving Las Vegas") into an Internet search engine such as yours. In their attempt to shop for the services of a reputable moving company online, these consumers instead hired companies that misrepresented their services and caused them serious financial harm. While consumers generally did not remember many of the details of their searches, it is clear that the Internet moving brokers in question ranked well in their search results.

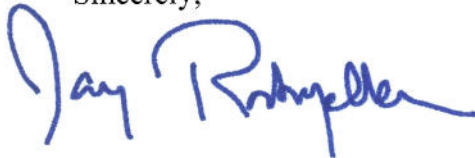
My staff has conducted a number of test searches using your company's search engine. Frequently, Internet moving brokers identified in the investigation, which received high numbers of consumer complaints, ranked highly in the search results. Based upon evidence obtained through the investigation, it appears that some of these companies may be "gaming the system" in order to boost their search rankings. These companies appear to be using paid links to inflate their popularity. For example, one company had tens of thousands of external links to its website and, upon closer review, these links proved to be largely irrelevant. They included abandoned blogs, link directories for unrelated topics, and college student groups and organizations, such as the Cornell Gymnastics Club.

Because I know that your company devotes significant time and resources to improving the quality of your users' searches, I am sharing the results of my Committee's investigation with you and asking you to review them. Internet search is a powerful tool for consumers. It helps them learn more about products and services they are interested in purchasing, and it helps them find the best price and value when they decide to buy. Unfortunately, the Committee's investigation shows that a number of moving companies are using Internet-based commerce to take advantage of consumers.

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If you have any questions, please contact Melanie Tiano or Molly Crawford with my staff at (202) 224-1300.

Sincerely,

A handwritten signature in blue ink that reads "John D. Rockefeller IV". The signature is fluid and cursive, with the first name "John" being particularly prominent.

John D. Rockefeller IV
Chairman

Enclosure

cc: Kay Bailey Hutchison
Ranking Member