Military Surface Deployment and Distribution Command
Customer and Carrier Advisory
April 03, 2024
CA 24 04 03/0026

Subject: Double Brokering and Subcontractor Nonpayment

Purpose: To provide guidance on ways to identify and prevent potential double brokering that may lead to subcontractor nonpayment on DOD shipments.

Be Advised: The Military Surface Deployment and Distribution Command (SDDC) has seen an increase in the number of double brokered shipments leading to nonpayment of subcontractors that move and deliver the shipments.

As outlined in the MFTURP-1 under the Carrier Performance and Evaluation Program (page 65, para. o.): "Brokers awarded DoD freight are responsible to ensure that its underlying Transportation Service Provide (TSP) handle and deliver freight without the underlying TSP contracting the use of additional TSPs and brokers."

TSPs approved for brokering are responsible to ensure subcontractors selected to transport DOD shipments are vetted and are well established within the DOT transportation system. Most of the double brokering scams are based on two conditions. First, the subcontracted carrier selected has had their DOT authority for less than one year and second, they have no DOT inspections indicating they moved little or no freight. These conditions can be easily checked by going to the FMCSA's SAFER System at https://safer.fmcsa.dot.gov/companysnapshot.aspx and entering the selected carrier's DOT number.

Shippers: To help reduce the number of double brokering occurrences, you can have your loading facilities request the Rate Confirmation from the truck driver that shows up for loading. If the Rate Confirmation does not list the TSP shown on the BOL, that's a sign of a double brokered shipment. Additionally, the Rate Confirmation should not list a payment higher than the rate on the BOL. This would be an indicator of a future nonpayment issue. If either of these discrepancies are identified, recommend contacting the TSP listed on the BOL before loading the truck.

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Expiration: N/A

Category: DTR/MFTURP-1/Policy