

Contractor fraud is prevalent after natural disasters. (NAME OF INSTITUTION) seeks to reduce contractor fraud by informing families in disaster-struck communities.

**Attention Homeowners:**

If your house was damaged by a natural disaster, and you seek a reputable contractor to help with the repair and restoration of your home, please review this document. Homeowners must do their due diligence before rebuilding to avoid contractor fraud.

**What is contractor fraud?**

Contractor fraud is a form of theft performed by contractors who overcharge, do not provide promised services, or use faulty materials when working on homes. It is prevalent in wake of disasters, when contractors take advantage of unsuspecting, confused and overwhelmed families. Contractor jargon, details of complex building systems and unpredictable scope of work make choosing the right contractor a challenge.

**Why is there contractor fraud in my community?**

Inevitably, the demand for qualified contractors after a large-scale disaster exceeds the supply. Many legitimate and licensed home repair companies can be booked solid for months. Frustrated and anxious homeowners eager to get their property back in shape may neglect to take the necessary precautions when hiring contractors. Fraudulent contractors know this, and flock to disaster-struck communities to make a quick buck.

**How do I avoid contractor fraud?**

(NAME OF INSTITUTION) has researched and identified specific tips to safeguard families from fly-by-night contractors who make homeowners’ road to recovery even more difficult.

1. Only hire licensed and insured contractors. Verify the track record of any roofer, builder or contractor you're thinking of hiring. Ask for a list of recent customers and call them.
2. Get multiple estimates. Fraudulent contractors, especially when they approach seniors, will offer a "free" estimate to assess "problems" with your roof, siding, driveway, etc. The scammer will always find something wrong.

Avoid fraudulent contractors by obtaining multiple estimates for any "damage" to your home. Consult friends, family or neighbors to learn the names of contractors they've used in the past – ones they trust.

1. Estimates and contractors must be on paper. The typical scammer will "assess" problems at your home, and offer a verbal "quote" on how much these problems will cost to fix. Verbal quotes are not legally binding. If the contractor later charges twice his estimate – or damages your property during the "repair" process it's doubtful you could successfully sue the fraudulent contractor.

Legitimate contractors are certified, insured and/or bonded by the state and/or town in which you live. They will also offer documented estimates for you to inspect before work commences. Ask for explanations for price variations. Before signing the document, ask a knowledgeable friend, relative or attorney to review a home repair contract before you sign. If you get a loan to pay for the work, be cautious about using your home as security (if you don't repay the loan as agreed, you could lose your home). Consider asking an attorney to review the loan documents, as well.

Make sure you and the contractor sign this document before any work is started, and that you keep a copy of the signed document in a safe place.

1. Obtain referrals. Get recommendations from friends, relatives, neighbors, coworkers, insurance agents or claims adjusters. Also check with the local Better Business Bureau and Home Builders Association to see if complaints have been lodged against any contractor you're considering.
2. Never pay with cash, never pay upfront. Document all payments, via check or credit card, so there is a paper trail. Clients who pay with cash are likely to never see the contractor again. Reputable contractors ask for down payments or deposits (1/3 of the total price is standard procedure), almost never a full payment upfront. In fact, most legitimate contractors bill at predetermined progress points in the project and when the work is complete to the client’s satisfaction.
3. Avoid the Door-to-Door Salesmen. The door-to-door salesman who claims they just happened to be in the neighborhood because they were doing work for someone nearby is a common fraudulent activity. Many of these “door-to-door salesmen” claim to have materials left over from the last job, which, if true, is likely stolen materials from another client. Seek contractors through referrals. Honest contractors earn most of their business through referrals from satisfied customers, and they don't need to travel door-to-door to find business.
4. Avoid Referral Schemes. Some scammers offer substantial "discounts" if promised referrals to future customers, or let them use the client’s home as a "model" or "demonstration" project. Focus on moving yourself and your family home safely first. Only agree to a referral program once the work is completed to your satisfaction.

**What if I am a victim of contractor fraud?**

If you suspect a repair rip-off, call the consumer division of your state Attorney General (800/351-4889). If you suspect fraud, waste, or abuse involving Federal Emergency Management Agency disaster assistance programs, report it to FEMA's Inspector General's Office (800/323-8603).

**What can (Name of institution) do for me?**

Contact (Name of institution) to learn more about our services. (Name of institution) is considering options and communicating with local stakeholders to insure a safe and prompt recovery. Call (Phone Number) to talk with a member of the (Name of institution) team today.

(Names and contact numbers of people who can be contacted regarding fraud activities)