



NEW YORK STATE SENATOR

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Important tips to Avoid Hurricane Sandy Home Repair Scams

DEAN G. SKELOS December 2, 2012

Unfortunately, there are unscrupulous businesses and scammers who may prey on storm victims seeking to repair their home. Below is some important information on how New Yorkers can protect themselves from home repair scam artists, who will try to take advantage of unsuspecting homeowners who suffered property damage from Storm Sandy.

These are some warning signs that tell you to avoid a contractor or salesman.

Beware of anyone who:

1. Comes to your home or calls you on the phone and offers to make repairs.
2. Tells you that you must make repairs immediately.
3. Talks too fast to confuse you and pressures you to sign a contract immediately.
4. Tells you that they are doing work in your neighborhood and that they have extra materials left from another job.
5. Offers a discounted price or discounts if you refer others, but only if you buy today.
6. Tells you something that sounds too good to be true. It probably is not true!
7. Is not an established local business, but has come to the area from somewhere else to “help.”

In addition, it is wise to:

- Avoid unlicensed contractors in areas of the State where a license is required (NYC, Nassau, Suffolk, Putnam, Rockland, Westchester).
- Unlicensed contractors are operating illegally in those areas
- Avoid contractors who don't supply references or whose references can't be reached.
- Avoid contractors who tell you there's no need for a written contract. By law, all contracts for \$500 or more must be in writing, but it's a good idea to get a written contract even for smaller projects
- Avoid contractors who only have a P.O. Box address or a cell phone number
- Avoid contractors who do not supply proof of insurance
- Avoid contractors who ask you to get required building permits. It could mean that the contractor is unlicensed or has a bad track record, and is therefore reluctant to deal with the local building inspector. However, you should verify with your local building department that all necessary permits have been obtained by the contractor.
- Be wary of contractors who ask for money to buy materials before starting the job. Reliable, established contractors can buy materials on credit
- Avoid contractors who demand payment in cash or want full payment up front, before work has begun. Instead, find a contractor who will agree to a payment schedule providing for an initial down payment and subsequent incremental payments until the work is completed.

If you think you have been the victim of a scam, you should consult a lawyer immediately. There are time deadlines to cancel sales and pursue legal claims. You can also contact the Department of Financial Services for insurance related scams, or your district attorney or the Attorney General's Office.

If you have a problem with a home improvement contractor and can't resolve it yourself,

you can file a complaint with the New York State Department of State at www.dos.ny.gov or by calling [1-800-697-1220](tel:1-800-697-1220). You can also complain to your local consumer protection office.

Consumers should contact their insurance company, agent or broker to get answers to specific questions about their policies or claims. Consumers who need further help should feel free to contact the New York State Department of Financial Services' Consumer Services Bureau at [800-342-3736](tel:800-342-3736) which operates from 9 a.m. to 4:30 p.m., Monday through Friday. Disaster related calls only should go to the disaster hotline at [800-339-1759](tel:800-339-1759), which is open 24 hours a day seven days a week.

Some suggestions for the safe way to find a contractor to repair your home:

- Check out contractors. Is the company reputable? How long has it been in business? Ask for references and then check them out. Make sure the company is licensed, bonded, and insured. Ask to see its insurance policy or certificate of insurance. There are on-line resources for finding out other people's experience with contractors.
- Get at least two estimates. Many companies give free inspections and written estimates -- get two or three before choosing a contractor. Remember that the lowest price is not always the best deal. Compare costs, materials, and methods suggested by different companies to decide what materials and methods are best for your home.
- Insist on a written contract that includes a detailed description of the work to be done and specifies exactly what materials will be used and their quality. The contract should include starting and estimated completion dates. The terms, including the price, finance charges and payments, should be what you agreed on. If not, do not sign it! Be sure to get a copy of everything you sign when you sign it.
- Ask if there is a guarantee or warranty. If so, make sure it is in writing. If the company won't put its promises in writing, look for another company which will.
- Do not sign the contract until you read it carefully. If the salesperson pressures you to sign before you read and understand the entire contract - don't sign it! Never rely on the

salesperson to read or explain the contract to you.

- Do not pay for work in advance.
- Inspect all of the work very carefully to make sure it was done properly. If you have any doubts or questions, do NOT make your final payment or sign a "completion certificate" until the work is properly finished.

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