



For Immediate Release
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May 3, 2006

MADIGAN FILES SUIT AGAINST ALLEGED HOME REPAIR CON ARTIST; LAWSUIT IS 4TH IN 25 YEARS

Chicago – Attorney General Lisa Madigan has filed a suit against a Cook County home repair and remodeling contractor who allegedly has been defrauding consumers for more than a quarter of a century by constantly changing the name of his company and threatening to sue consumers themselves if they don't pay for work that he either never completed or shoddily completed.

Madigan's lawsuit, filed yesterday in Cook County Circuit Court, charges Ronald W. Kafka and Father & Sons Contractors, Inc., with violations of the Consumer Fraud and Deceptive Business Practices Act; the Uniform Deceptive Trade Practices Act; and the Home Repair and Remodeling Act. Consumers allegedly have made payments to Kafka ranging from \$5,000 to \$180,000.

Importantly, Madigan's suit would prohibit Kafka or any of his companies from ever doing business in Illinois again, revoke any and all business licenses associated with Kafka, revoke Father & Sons' corporate charter, require a \$50,000 civil penalty for each and every violation of the Consumer Fraud Act, and require restitution for consumers and court costs incurred by the state.

"Our complaint alleges that Mr. Kafka and his companies are repeat offenders when it comes to home repair and remodeling violations," Madigan said. "They have allegedly cheated consumers for more than a quarter of a century. A person can only change his company's name so many times before repeated fraud catches up. It's time for Mr. Kafka to retire."

Kafka and his companies allegedly have violated the law in multiple ways, ranging from misrepresenting the start/completion dates of projects; failing to disclose complaints against him or his companies; misrepresenting that his company had its own construction crew; lying about whether subcontractors would be used; misrepresenting the cost of fees and permits; and entering into a contract for certain work and, after taking a deposit, refusing to do the project unless more money was paid than the contract price. The complaint also alleges that Kafka arranges residential mortgage loans for consumers for their projects without telling them that the loan companies, with which he is affiliated, are not licensed by the state.

Kafka also allegedly has printed contracts on which he hand writes the work specifications in very vague terms, thus allowing him to evade responsibility

with consumers who demand that he begin or finish the work for which they contracted. Additionally, when submitting plans to local governments for approval, Kafka allegedly has cut and pasted the name of an architect from one document to another without the architect's knowledge or approval.

Over at least the last quarter century, Kafka has been associated with at least 26 companies, although he often is listed as an "agent" allegedly to avoid legal responsibility for the suits that have been filed against him and his companies. Kafka allegedly creates new companies to keep consumers from learning about complaints against his previous companies and to avoid legal enforcement actions. Altogether, the companies with which Kafka has been involved filed and defended hundreds of lawsuits stemming from his home repair contracts.

Madigan said the State of Illinois first sued Kafka and one of his various companies 26 years ago, in 1980, alleging violations of the Illinois Consumer Fraud Act. On November 20 of that year, the court entered an order prohibiting certain acts by the defendants.

In 1985, the State of Illinois filed another complaint against Kafka and Kafka & Sons Building and Supply Company, Inc., along with Remodeling by Kafka, Inc., Suburban Remodeling and another defendant. In 1989, the court entered an order for a \$50,000 penalty and injunctive relief, which included 52 practices Kafka or his companies were prohibited from engaging in when contracting with consumers.

However, Madigan said, the problems continued and the complaints kept coming.

In 2002, the State of Illinois sued Kafka along with Father & Sons Remodelers, Inc., a separate company than the one being sued today, alleging violations of the Illinois Consumer Fraud Act. Kafka claimed to be only an "agent" of that company. After this case was filed, and after an unfavorable rating was given by the Better Business Bureau, Father & Sons Contractors was incorporated. The address used was a mail drop in Countryside; however, the business was still operating from the same office as the prior corporation in Riverside.

Since 2003, Madigan's office has at least 43 pending complaints against Kafka and this new company. Consumers from Bellwood, Berkeley, Berwyn, Bridgeview, Brookfield, Chicago, Cicero, Elmhurst, Elmwood Park, Forest Park, Hillside, LaGrange, LaGrange Highlands, Lemont, Lyons, Maywood, Merrionette Park, Oak Park, Plainfield, Riverside, Romeoville, Stickney and Westchester have lodged complaints against Father & Sons Contractors, Inc. For example:

- In January 2004, Kafka met with a man and his wife in Berwyn, who wanted a second floor apartment added to their home. Kafka proposed a cost of \$99,500, indicated that he needed to do a credit check and then wrote up a piece of paper, which the couple signed, even though they could not read or speak English. Kafka later appeared at their home, demanding they take a loan out from a company with which he was affiliated. The consumers refused to sign the contract until they could go over it with someone who spoke English. However, Kafka convinced the consumers' son to sign the loan while his parents were not present. Three months later, workers from Father & Sons Contractors, Inc., showed up, removed part of the roof, destroyed the electrical service to the garage

and left the house open to the weather and as a result, water damaged the ceilings and light fixtures. When the son complained about this, Kafka allegedly threw a glass at him and made racially derogatory remarks about him. The event was so outrageous that the son had to be taken to the emergency room. The project was never completed.

- In April 2004, Kafka met with another Berwyn consumer for construction work on her home totaling \$79,500. Prior to signing the contract, the consumer expressed urgency for the extra rooms to be finished before her baby was due at the end of June. As of September, despite a down payment and almost three months after the birth of her child, no work had started. When it did, it was done entirely by subcontractors, which Kafka claimed not to use. The defendants never gave the consumer any sworn statements, as required by the Mechanics Lien Act. The defendants filed a mechanic's lien on the house and then sued to foreclose the lien. The case is still pending.

Madigan said other stories include Kafka's efforts to repair an elderly woman's porch without replacing rotting materials, failing to provide consumers with the "Home Repair: Know Your Consumer Rights" pamphlet and avoiding consumers who wanted to exercise their three-day right to cancel, thus closing the window in which they had to cancel.

"This is without a doubt one of the worst cases we have ever seen," Madigan said. "Mr. Kafka reincarnates himself and his companies to avoid the legal consequences of his actions. He can no longer avoid those legal consequences."

Madigan noted that construction and home improvement fraud complaints ranked third on the 2005 Top 10 Consumer Complaints list and consistently have ranked as one of the top three consumer complaints since 1984. Complaints regarding construction and home improvement in 2005 included those related to remodeling (1,218 complaints); roofs and gutters (479); siding, windows and doors (365); new construction (189); and other construction-related complaints (774). Most of the complaints centered on failure to start or complete work, excessive charges and shoddy workmanship.

Senior Assistant Attorney General Harvey Levin and Assistant Attorney General Anshuman Vaidya are handling the case for Madigan's Consumer Protection Division.

Consumers can obtain more information on how to guard against home repair fraud by calling the Attorney General's Consumer Fraud Hotline at the following numbers:

Chicago: 1-800-386-5438; TTY: 1-800-964-3013
Springfield: 1-800-243-0618; TTY: 1-877-844-5461
Carbondale: 1-800-243-0607; TTY: 1-877-675-9339
Spanish-language: 1-866-310-8398

Home repair and remodeling tips are available on Madigan's Web site at www.illinoisattorneygeneral.gov/consumers/homerepair_construction.html.

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