



For Immediate Release

Contact: Cara Smith

312-814-3118

877-844-5461 (TTY)

csmith@atg.state.il.us

July 25, 2006

*******CONSUMER ALERT*****CONSUMER ALERT*******

MADIGAN URGES CONSUMER VIGILANCE FOLLOWING SOUTHERN ILLINOIS STORMS

Chicago — Attorney General Lisa Madigan today urged homeowners who experienced violent storms and resulting power outages last week in the Metro East region of the St. Louis metropolitan area and in central and southern Illinois to protect themselves from unscrupulous businesses that may try to exploit natural disasters for personal profit.

“Be assured that investigators from my office are monitoring the situation and following up on legitimate consumer complaints,” Madigan said.

Madigan said her office is looking into some reported instances from the Metro East of inflated prices for ice needed by thousands of homeowners who, in some cases, have been without electrical service since the evening of July 19.

Madigan also noted that retailers may have experienced increased costs of their own brought on by the storms and power outages, and that those retailers may need to increase their prices because of increased costs to obtain the merchandise. However, she cautioned retailers against raising prices simply to make a bigger profit and take advantage of a disaster. Depending on the circumstances, Madigan warned that retailers who increase their prices significantly above their costs run the risk of possible violations of the Illinois Consumer Fraud and Deceptive Business Practices Act.

Madigan also warned consumers and business owners to be careful before contracting to have damaged or destroyed property rebuilt and not to rush in to contractual agreements or make large down payments. Madigan also urged consumers to alert both her office and local law enforcement if suspicious persons begin soliciting in the area.

Madigan's Consumer Protection Division offered the following tips to help protect individuals and companies from being duped by dishonest contractors:

- Be wary of door-to-door solicitors because many home repair contractors are transients who move quickly into a troubled area. Ask for recommendations from people you know and trust. Whenever possible, use established local contractors.

- Call Madigan's Consumer Fraud Hotline to check out a business and to find out how many consumer complaints, if any, have been filed against a particular business.
- Ask to see any required state or local permits or licenses. Remember that insurance adjusters must be licensed by the Illinois Department of Financial and Professional Regulation, Division of Insurance, and roofers must be licensed by the Division of Professional Regulation.
- Shop around for the best deal. Get written estimates from several contractors and don't allow a salesperson to rush you into a deal.
- Get all terms of a contract in writing; obtain a copy of the signed contract and never make full payment until all work has been completed to your satisfaction.
- Be aware that you have the right to cancel within three business days if you sign a contract based on a visit to your by a salesman.
- Do not pay in cash.

Madigan reminded consumers that the Illinois Home Repair and Remodeling Act requires contractors to furnish customers with written contracts for any repair or remodeling work costing more than \$1,000. A contract must be signed by both the customer and the contractor.

The law also requires contractors to carry at least minimum amounts of insurance for property damage, bodily injury and improper home repair. Contractors also must provide consumers with an informational pamphlet entitled "Home Repair: Know Your Consumer Rights."

Consumers can visit Madigan's Web site for more consumer protection information and to download a consumer complaint form at www.IllinoisAttorneyGeneral.gov or by calling the Consumer Fraud Hotlines:

Chicago: 1-800-386-5438 and 1-800-964-3013 (TTY)

Springfield: 1-800-243-0618 and 1-877-844-5461 (TTY)

Carbondale: 1-800-243-0607 and 1-877-675-9339 (TTY)

Spanish-language hotline: 1-866-310-8398

-30-

[Return to July 2006 Press Releases](#)