



September 15, 2008

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

MADIGAN WARNS CONSUMERS TO LOOK OUT FOR SCAM ARTISTS FOLLOWING FLOODS

Chicago — Attorney General Lisa Madigan today urged residents of communities impacted by flooding to protect themselves from home repair con artists eager to exploit natural disasters for personal profit.

Home repair scam artists are known to swoop in after storms or floods to take advantage of people with flood-damaged property scrambling to make repairs.

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

"Far too often, we see man-made disasters follow natural disasters. Scam artists know how to take advantage of the aftermath of major storms and persuade people to make snap decisions for repairing their homes or businesses," Attorney General Madigan said. "It is important that consumers have information to help them avoid consumer fraud."

Madigan offered the following tips to protect individuals and companies from being duped by dishonest contractors:

- Call the Attorney General's Consumer Fraud Hotline to check out a contractor and to find out how many consumer complaints, if any, have been filed against a particular business.
- Be wary of contractors who go door-to-door to offer repair services. Home repair con artists are often transients who move quickly into a troubled area. Ask for recommendations from people you know and trust and, whenever possible, use established local contractors.
- Even if there is a need to act quickly, shop around for the best deal. Get written estimates from several contractors and don't be rushed into a deal.
- Get all of the terms of a contract in writing and obtain a copy of the signed contract. Never make full payment until all the work has been completed to your satisfaction. Do not pay in cash.
- Be aware that you have the right to cancel within three business days if you sign a contract with a salesman who comes to your home.
- 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.

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."

Attorney General Madigan added that some scam artists even attempt to impersonate government agencies. In recent years, media reports in the wake of major storms and tornadoes have indicated that consumers were called by someone who falsely claimed to be associated with the Federal Emergency Management Agency (FEMA) and requested bank account information from the consumer that would assist with the repair of their storm-damaged home.

"Consumers should never give out personal or financial information over the telephone," Attorney General Madigan said.

For additional information on how to avoid consumer scams, visit www.IllinoisAttorneyGeneral.gov. If consumers suspect storm chasers are attempting to scam residents in their area, Attorney General Madigan urged them to call the Consumer Fraud Hotline:

- (800) 386-5438 (Chicago)
- (800) 243-0618(Springfield)
- (800) 243-0607 (Carbondale)

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