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May 15, 2009

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

MADIGAN REMINDS CONSUMERS TO PROTECT THEMSELVES FROM FRAUD DURING DISASTER RECOVERY

Carbondale - As Southern Illinoisans begin repairing homes and businesses damaged during the severe storms that swept through the area on May 8th, Attorney General Lisa Madigan is reminding residents to protect themselves from con artists who are eager to exploit natural disasters for personal profit.

"The people who suffered property damage from this terribly destructive storm should not suffer again at the hands of unscrupulous and dishonest scam artists who come into communities after natural disasters and look for ways to defraud residents," Madigan said.

Attorney General Madigan urged consumers to be cautious and not be rushed into contracts or make large down payments. The Attorney General also urged consumers to alert both her office and local law enforcement if suspicious "storm chasers" begin soliciting in the area.

"Storm chasers are well-versed in how to play on the emotional aftermath of major storms and our natural instinct to want to get back to normal by making quick repairs," Madigan said. "These con artists try to entice individuals to make snap decisions and spend a lot of money."

Madigan also notes that local governments are adding a measure of protection for consumers as many of the affected municipalities and counties are requiring vendors to obtain special permits before they can lawfully offer their services.

The Attorney General's Consumer Protection Division offers 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 con artists 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 Attorney General 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 required local or state permits or licenses. 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.
- If possible, take time to shop for the best deal. Obtain written estimates from several contractors and don't allow a salesperson to rush you into a deal.
- Get all the 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 may have the right to cancel within three business days if you sign a contract when a salesperson comes to your home.
- Do not pay in cash.

Attorney General Madigan reminds 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."

Attorney General Madigan also notes that other common post-disaster scams include the con artist who impersonates a representative of a governmental agency or charitable organization and seeks an individual's personal or financial information. Madigan said state and federal emergency agencies do not contact disaster victims; the victim must first contact the agency. In the case of charities, Madigan notes red flags to watch out for include the so-called solicitor who cannot, or will not, answer basic questions about the charity and insists on receiving a cash payment, instead of allowing the individual to mail a contribution.

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

(800) 243-0607 (Carbondale)

(800) 243-0618 (Springfield)

(800) 386-5438 (Chicago)

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