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MADIGAN CRACKS DOWN ON UNLICENSED PUBLIC INSURANCE ADJUSTERS, HOME REPAIR SCAMS ACROSS CHICAGOLAND AREA

Attorney General Files Four Lawsuits, Warns Consumers to Avoid Unlicensed Home Repair Contractors

Chicago — Attorney General Lisa Madigan today filed lawsuits against four Chicago area home repair contractors for operating as unlicensed insurance adjusters and defrauding consumers throughout the Chicago area of more than \$165,000 without completing promised repair work.

Madigan filed lawsuits in Cook County Circuit Court against Blue Rose Restoration of Roselle, Amazing Exteriors Inc. of Algonquin, Team-Mark Construction Inc. of Chicago and AP Contractors Inc. of Berwyn.

Madigan said the companies operated as insurance adjusters though they were not licensed to negotiate damages with homeowners' insurance companies. In many cases, the contractors preyed on communities after storms or other weather-related disasters when homeowners were in need of emergency repairs. The businesses typically offered to complete needed repairs themselves but first required homeowners to pay upfront. Ultimately though, the contractors failed to complete the promised work for which they had already been paid.

"In the wake of severe storms, these con artists flood into local communities to take advantage of stressed homeowners, often pressuring them to make snap decisions about repairing the damage—even in instances when no damage was done," Madigan said. "Homeowners who are confronting significant storm-related damage must be extremely wary of door-to-door solicitations. More often than not, these companies are nothing more than scam operations."

Madigan said in one of the most egregious cases filed today, Blue Rose Restoration intentionally caused what appeared to be hail damage to the home of a couple in order to charge them for repairs. As a result of the damage done, the couple's insurance rates were increased by an additional \$600 per year.

In another case, Madigan said a homeowner in need of a new roof contracted AP Contractors using a check from his insurance company for more than \$7,400. The lawsuit alleges the company failed to do any roofing work or refund the money, and the homeowner was left to patch his roof himself.

Madigan is seeking restitution on behalf of homeowners who suffered losses, including consumers in Cook, Lake, Kane, DuPage and Will counties, and is asking the court to ban the defendants from operating home repair businesses in Illinois. The lawsuit also seeks to impose an array of civil penalties on the defendants.

In the wake of severe storms, tornadoes and other weather disasters, Attorney General Madigan dispatches investigators from her office to respond to affected communities and work with local authorities to prevent "storm chaser" scam artists from preying on homeowners. Recently, Madigan's investigators assisted with these efforts in downstate Harrisburg after devastating tornadoes struck.

Madigan offered the following tips to help protect families and businesses from being duped by dishonest contractors:

- 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.

- Insurance adjusters must be licensed by the Illinois Department of Insurance, and roofers must be licensed by the Illinois Department of Financial and Professional Regulation. Ask to see required state or local permits or licenses.
- 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.
- Even if there is a need to act quickly, shop around for the best deal. Get written estimates from multiple contractors and don't be rushed into a deal.
- Get all 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, and never pay in cash.

Madigan also 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."

If consumers suspect storm chasers are attempting to scam residents in their area, Attorney General Madigan urges them to call local police and the Consumer Fraud Hotline at 800-386-5438 (Chicago), 800-243-0618 (Springfield) or 800-243-0607 (Carbondale) or visit her website, www.illinoisattorneygeneral.gov.

Assistant Attorneys General Andrew Dougherty, Jonathan Reischl and Eric Sirota are handling these cases for Madigan's Consumer Fraud Bureau.

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