



April 19, 2013

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

MADIGAN WARNS RESIDENTS TO REMAIN ALERT FOR "STORM CHASERS" AFTER SEVERE STORMS, FLOODS IN CHICAGO

Attorney General Investigators to Look Into Repair-Related Complaints

Chicago — Following the severe storms and flooding that hit the Chicago area this week, Attorney General Lisa Madigan urged area residents to be on alert for home repair con artists looking to exploit homeowners and local businesses needing repairs due to storm-related damage.

Madigan warned of home repair scammers who are known to move into affected areas to take advantage of people rushing to secure their property and make repairs. Madigan noted that these "storm chasers" try to catch people off guard to pressure them into making a quick, often expensive, decision. Madigan encouraged local residents and business owners to call the Consumer Fraud Hotline (1-800-386-5438) to report any suspicious activity. Investigators with her office will look into complaints received about area contractors.

"In the wake of the heavy rains and severe flooding that hit Chicago this week, many area residents and business owners have suffered significant property damage," Madigan said. "I encourage people to use caution as they start the daunting cleanup process and to be on the lookout for potential scammers moving into the area to try to take advantage of the situation."

Attorney General Madigan recommended verifying that contractors have the necessary insurance and required permits, and she encouraged taking extra caution before making any decisions to repair or rebuild damaged or destroyed property and avoid rushing into signing a contract or making a down payment.

Madigan offered these additional tips that can assist families and businesses from being duped by dishonest contractors:

- Be wary of contractors who go door to door to offer repair services. Ask for recommendations from people you know and trust and, whenever possible, use established local contractors.
- Call the Attorney General's Consumer Fraud Hotline to check out a contractor and to learn if any complaints 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 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. Never pay in cash.
- Be aware that you have the right to cancel a contract within three business days if you signed it based on the contractor's visit to your home.
- In the case of disaster repair, you have an additional right to cancel. If your insurance carrier denies coverage, you have the right to cancel the contract within five days of when your insurance carrier denies your coverage.
- Ask to see required state or local permits or licenses. Insurance adjusters and roofers must be licensed by state agencies. If the contractor does not have a required license, or if the name on the license doesn't match the name on the contractor's business card or truck, that should raise a red flag.

Attorney General 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."

More information on consumer scams can be found at www.IllinoisAttorneyGeneral.gov. If consumers suspect storm chasers are attempting to scam residents in their area, Attorney General Madigan urged Chicago area residents and business owners to call the Consumer Fraud Hotline at 1-800-386-5438.

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