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June 1, 2017

MADIGAN SUES KANE COUNTY CONSTRUCTION COMPANY FOR DEFRAUDING RESIDENTS SEEKING WEATHER-RELATED HOME REPAIRS

Attorney General Alleges Company Accepted Down Payments but Never Completed Home Repair and Roofing Work

Chicago — Attorney General Lisa Madigan today filed a lawsuit against a Kane County construction company and its owner alleging the company defrauded at least 10 residents in Chicago and the western suburbs after offering home repair and roofing services for weather-damaged homes, after receiving upfront payments from homeowners but failing to conduct the work.

Madigan filed the lawsuit in Cook County against Chavez Construction Inc. and its president and owner Gerardo Chavez alleging violations of the state's Consumer Fraud and Home Repair Acts by failing to begin or complete work after being paid.

"Unfortunately Chavez is another scammer who takes advantage of homeowners after storms have damaged their homes," Madigan said. "Today's lawsuit should stop Chavez from taking homeowners' money."

Madigan's lawsuit alleges 10 consumers complained that no work had been performed after Chavez received a down payment from them. In at least two instances, Chavez failed to pay suppliers for roofing materials, which resulted in threats of mechanic's liens against the homeowners. Chavez also failed to return the down payments after Madigan's office sent demand letters to the business.

Furthermore, Chavez violated the Home Repair Act by: 1) failing to list the total cost, including parts and materials in the contract; 2) not issuing the 5- and 30-day Notice of Cancellation, and the "Home Repair: Consumer Know Your Rights" pamphlet; 3) offering to waive deductible payments; 4) failing to list a roofing contractor's license name and number on the contract; 5) offering to provide public adjusting services to consumers; and 6) filing claims with insurance companies without being licensed.

Madigan warns the public that the company continues to do business under the name Chavez Construction Inc., even though the business was involuntarily dissolved in January 2016.

Attorney General Madigan regularly cautions Illinois residents that storm-chasing scammers often move quickly into communities to take advantage of people who have suffered damage to their homes or businesses. Madigan noted these "storm chasers" use the opportunity to pressure people into making quick and often expensive decisions about cleanup and construction work. Madigan also warned residents to the potential that scam artists may be operating improperly as insurance adjusters or public adjusters.

Madigan said general contractors are not required by state law to be licensed, but municipalities may require permits. Home and business owners should check with their local governments for more information about permits or other local requirements. Insurance adjusters must also be licensed by the Illinois Department of Insurance, and roofers must be licensed by the Illinois Department of Financial and Professional Regulation.

Madigan encourages local residents and business owners to call local law enforcement agencies and her office's Consumer Fraud Hotline (1-800-386-5438 in Chicago, 1-800-243-0618 in Springfield, and 1-800-243-0607 in Carbondale) to report any suspicious activity.

Madigan also reminds people that the Illinois Home Repair and Remodeling Act requires contractors to provide 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 the 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 and Construction: Know Your Rights.](#)"

Assistant Attorney General Oscar Piña is handling the case for Madigan's Consumer Protection Bureau.

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