



July 14, 2017

MADIGAN WARNS RESIDENTS TO BE ON ALERT FOR FLOOD-RELATED REPAIR SCAMS

Chicago — Following this week's heavy rainfall and resulting flooding in northern Illinois and the Chicago area, Attorney General Lisa Madigan today warned residents in impacted areas to be on alert for scammers looking to exploit homeowners and business owners who may need to repair flood damaged property.

Madigan cautioned Illinois residents that scammers often move quickly into communities to take advantage of people with 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 as insurance adjusters or public adjusters.

"As residents assess damage from severe rain and flooding, it is important to remember that scam artists often target homeowners and businesses with repair scams," Madigan said. "I encourage people to be cautious before hiring contractors they do not know, particularly if those individuals are soliciting door-to-door."

While the rain has stopped, water levels are still rising in the northern suburbs, extending the opportunity for scammers to target residents. Lake County officials declared a state of emergency Thursday due to severe flooding, and the clean-up will continue for weeks.

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 encouraged local residents and business owners to call local law enforcement agencies and her office's Consumer Fraud Hotline (1-800-386-5438 in Chicago) to report any suspicious activity.

Madigan offered the following tips to help protect families and businesses from 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 (1-800-386-5438 in Chicago, 1-800-243-0618 in Springfield, and 1-800-243-0607 in Carbondale) to check out a contractor and to learn if any complaints have been filed against a particular business.
- Visit the Better Business Bureau's [Chicago](#), [central Illinois](#) or [St. Louis](#) websites to see if a business is a member and whether any complaints have been lodged against it.
- Even if there is a need to act quickly, the best way to protect yourself is to shop around. 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 and local permits and 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. Please visit the Illinois Department of Financial and Professional Regulation's [website](#) to search licenses. Contact the Department of Insurance at (866) 445-5364 to verify that the public adjuster is licensed and in good standing.

Madigan also reminded consumers 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.](#)"

-30-

[Return to July 2017 Press Releases](#)

