



Avoid Fraud Following the Flood

Unfortunately, disasters sometimes attract scam artists. Since the demand for qualified contractors following a disaster usually exceeds the supply, consumers should be wary of imposters.

The public may be at risk for price gouging, poor workmanship and dangerously unprofessional work when hiring anyone other than a credible contractor for electrical, plumbing, structural work, or debris removal. Following the 2008 floods, several fraud claims have already come to light.

Be cautious of anyone offering to test water who is not employed by local or state public health. In general, reputable agencies and contractors do not conduct business by door-to-door solicitations. Call the agency or company that the individual claims to work for if you are uncertain of their status. Consumers are advised to look for official insignia, ask for official identification, and report suspicious behavior.

The Federal Trade Commission (FTC) and the Federal Emergency Management Agency (FEMA) offer tips for consumers facing major flooding repairs:

- Deal only with credible contractors. Talk with friends, neighbors, co-workers, or home insurance agents to learn what repairs should cost in your community. Verify the contractor's record with the local Better Business Bureau and Home Builders Association. Check the Iowa Courts Online website to see if the contractor has been sued: www.iowacourts.state.ia.us.
- Take your time entering into a contract. Get written estimates that include the contractor's oral promises and workmanship guarantees. Insist on a signed copy of the contract before you provide payment and the job begins. The contract should include timelines. If the contract is for a significant amount, ask an attorney to review it. Never sign a contract with blank spaces or pages.
- Pay in installments and never in cash. Resist contractors who ask for payment of the entire job up-front. A partial deposit is standard. Pay only by check or credit card, and pay the final amount after work is completed to your satisfaction. Make payment to the business enterprise not an individual.
- Be skeptical. Contractors should not encourage expensive temporary repairs. Speak with your homeowners' insurance agent to verify what will be covered under your policy.

Avoid Fraud Following the Flood continued from front

- Verify licensure and proof of insurance. Hire licensed, insured and experienced contractors. Ask for proof of insurance from a contractor for themselves and any employees who may perform work on your property. If an uninsured contractor is injured on your property, you may be liable.
- Make sure charities are legitimate before you donate. In the interest of smart giving, check whether it is registered with the Attorney General's Office and ask questions.

Remember, experienced contractors will be familiar with these recommendations. The final work of unskilled contractors could pose serious, even life-threatening, risks to the residents of a structure. A reputable contractor will not try to rush you through this process.

Report suspicious persons to local law enforcement or the Iowa Attorney General's Office. In addition, if you suspect someone is reporting false damage claims, report it by calling the FEMA false damage claim line: 800-323-9603.

Resources:

County Sanitarians for Iowa: www.uhl.uiowa.edu/services/wellwater/sanitarians.xml

City of Iowa City, Iowa: www.icgov.org/default/apps/GEN/news.asp?newsID=4211&page=1

The Iowa Attorney General's Office, 515-281-5926, 888-777-4590, or www.iowa.gov/government/ag/consumer/

The Iowa Better Business Bureau, 515-243-8137, or www.bbb.org.

The Internal Revenue Service's not-for-profit charities search:
<http://www.irs.gov/charities/article/0,,id=96136,00.html>

Federal Trade Commission: www.ftc.gov; 1-877-FTC-HELP (1-877-382-4357)

FEMA Apply for Assistance: www.fema.gov/assistance/index.shtm

Iowa Legal Aid has attorneys for Volunteer Lawyer Projects: www.iowalegalaid.org

Contributor:

Elizabeth Hosmanek, J.D., The University of Iowa Hygienic Lab, elizabeth-hosmanek@uiowa.edu, 319-335-4392