

U.S. DEPARTMENT OF HOMELAND SECURITY

FEMA-MISSISSIPPI DISASTER NEWS

FOR IMMEDIATE RELEASE

DR-1459-MS-NR03

April 29, 2003

Media Contacts:

Jennifer Griffin, MEMA 601-572-2496
Jay Eaker, FEMA 601-572-2498
703-946-2352 (After hours)

**BEWARE OF FRAUDULENT CONTRACTORS
WHEN REPAIRING YOUR DAMAGED HOME**

JACKSON, Miss. – State and federal disaster recovery officials are advising Mississippi residents who have disaster-related damage to be extremely careful when hiring contractors to clean up and repair their homes and businesses.

“Although no incidents have been reported in this disaster so far, many times scam artists are ready to seize an opportunity to capitalize on the misfortune of others,” said Leon Shaifer, the Mississippi Emergency Management Agency official in charge of long-term disaster recovery. “In the wake of disasters, dishonest contractors often flock to an area to rip off those seeking help to rebuild.”

It is always good business practice to contact the Mississippi State Board of Contractors to make sure a contractor is licensed and has no outstanding consumer complaints filed against him or her. The board of contractors can be reached by calling toll-free, **1-800-880-6161**.

Carlos Mitchell, the Federal Emergency Management official in charge of recovery, adds, “Use caution, verify the contractor’s licensing and bonding status with the state board of contractors, talk to building and floodplain officials, and deal cautiously with contractors to help make your recovery process a positive one.”

The following consumer protection suggestions are offered for the consideration of those rebuilding after the recent severe storms, tornadoes and flooding.

- **Get a written estimate.** Be sure to obtain a written estimate for the job and read the fine print. Compare the services and prices of several reputable contractors before making a final decision. Hire local contractors if possible.

- MORE -

- **Check references.** Call former customers who had similar work done to make sure they were satisfied with the job.
- **Ask for a written contract.** A complete contract should clearly state all the work to be performed, all associated costs and the payment schedule. Never sign a blank contract or one with blank spaces. Make sure the contract clearly states who will apply for the necessary permits or licenses. Have a lawyer review the contract if substantial costs are involved. Keep a copy of the signed contract.
- **Written guarantees.** If the contractor provides any guarantees, they should be written in the contract clearly stating what is guaranteed, who is responsible for the guarantee, and how long the guarantee is valid.
- **Pay by check.** Avoid on-the-spot payments; the safest route is to write a check to the contracting company. A reasonable down payment is 30 percent of the total cost of the project. Federal law requires a three-day “cooling off” period for unsolicited door-to-door sales of more than \$25.
- **Canceling a contract.** Canceling a contract should be done within three business days of signing. Be sure to follow the agreements stated in the cancellation clauses. Send the notification by registered mail.
- **Have work inspected.** If excavation work is being performed (e.g., sewer or basement walls) make sure a qualified observer inspects the work before it is hidden from view to avoid problems in the future or take photographs if no qualified observer is available.
- **Make final payments when the work is completed.** Do not sign completion papers or make the final payment until the work is completed to your satisfaction. A reputable contractor will not threaten you or pressure you to sign if the job is not finished properly.

Consumers who have problems with a contractor or who have been victims of fraud are urged to contact the Mississippi State Board of Contractors, **1-800-880-6161**, and/or the Consumer Protection Division of the Mississippi Attorney General’s office at **1-601-359-4230**.

###