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ATTORNEY GENERAL RAOUL REMINDS RESIDENTS TO BE ON ALERT FOR FLOOD-RELATED REPAIR SCAMS

Disaster Proclamation Issued for 34 Illinois Counties Due To Historic Flood Levels

Chicago — As several Illinois counties continue to experience record levels of flood waters, Attorney General Kwame Raoul today reminded Illinois residents to be vigilant for scammers looking to exploit home and business owners in need of repairs from flood-related damage.

Last month, a state disaster proclamation was issued for 34 counties, and more than 400 Illinois National Guardsmen were activated to provide additional support in river communities. Representatives of Raoul's office have visited some impacted communities to provide information to help homeowners and business owners avoid repair scams when floodwaters recede.

Raoul reminded residents that scammers often move quickly into communities to exploit people with damage to their homes or businesses. Raoul noted these "storm chasers" use the opportunity to pressure people into making quick and often expensive decisions about cleanup and construction work. The Illinois Emergency Management Agency (IEMA) has received reports that storm chasers have already started entering some communities to take advantage of residents and business owners.

"Record flooding has devastated river communities throughout Illinois, and it is critical that homeowners and business owners are on alert for scammers who will use the devastation left behind to line their pockets," Raoul said. "I encourage people to contact my office or check with the Better Business Bureau to find out whether complaints have been made against a particular contractor, and to be wary of any individual who solicits home repair or insurance adjusting services door-to-door."

Raoul also warned residents that scam artists may be operating as insurance adjusters or public adjusters, who also go door-to-door offering to help homeowners obtain insurance money for home repairs. Oftentimes, these adjusters receive a fee or own the home repair company they recommend. Raoul reminded homeowners that they can work directly with their insurance companies for free.

"It's appalling that anyone would see this situation as an opportunity to scam others, but unfortunately this is something we often see after disasters," said Acting IEMA Director Alicia Tate-Nadeau. "We want everyone affected by flooding to be aware of the potential for scam artists and take steps to protect their personal information. The Illinois Attorney General's [Consumer Fraud Hotline](#) is an excellent resource for protecting a community from unscrupulous fraud schemes during the flood recovery phase."

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

Raoul also 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 [central Illinois](#), [St. Louis](#) or [Chicago 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, 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, if your insurance carrier denies coverage, you have the right to cancel the contract within five days of your insurance carrier's denial.
- Ask to see required state and local permits and licenses. Insurance adjusters and roofers must be licensed by state agencies. It should raise a red flag if the roofer or adjuster does not have a required license, or if the name on the license doesn't match the name on the business card or truck. Please visit the [IDFPR's website](#) to search for roofing licenses. Visit the [DOI's website](#) or call (866) 445-5364 to verify that a public adjuster is licensed and in good standing.

Raoul 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: Know Your Consumer Rights](#)."

Raoul encouraged local residents and business owners to call local law enforcement agencies and his office's [Consumer Fraud Hotline](#) to report any suspicious activity.



As you plan for your home repair or improvement project, it is important to ask the right questions in order to protect your investment. The tips in this fact sheet should allow you to protect yourself and minimize the possibility that a misunderstanding may occur.

If you think you have been defrauded by a contractor or have any questions, please bring your concerns to the attention of your state's attorney or the Illinois Attorney General's Office.

Consumer Fraud Hotlines

Springfield	Chicago	Carbondale
1-800-243-0618	1-800-386-5438	1-800-243-0607
TTY: 1-877-844-5461	TTY: 1-800-964-3013	

www.IllinoisAttorneyGeneral.gov

CONTRACT TIPS

1. Get all estimates in writing.
2. Do not be induced into signing a contract by high-pressure sales tactics.
3. Never sign a contract with blank spaces or one you do not fully understand. If you are taking out a loan to finance the work, do not sign the contract before your lender approves the loan.
4. You have three business days from the time you sign your contract to cancel any contract if the sale is made at your home. Homeowners age 65 or older have up to 15 business days if they signed a contract with an uninvited solicitor in the home. The contractor cannot deprive you of this right by initiating work, selling your contract to a lender or any other tactic. If you are planning to file a claim with your insurance company to pay for the work, you may cancel the contract in one of two ways, whichever occurs first: (1) within five business days after receiving written notice from the insurance company denying your claim; or (2) within 30 days after you sent a claim to the insurance company.
5. If the contractor does business under a name other than the contractor's real name, the business must either be incorporated or registered under the Assumed Business Name Act. Check with the Secretary of State to see if the business is incorporated or with the county clerk to see if the business has registered under the Act.
6. Homeowners should check with local and county units of government to determine if permits or inspections are required.
7. Determine whether the contractor will guarantee his or her work and products.
8. Determine whether the contractor has the proper insurance.
9. Do not sign a certificate of completion or make final payment until the work is done to your satisfaction.
10. Ask for lien waivers for any and all subcontractors.

Protect Yourself with Lien Waivers for all Subcontractors

Before you pay your contractor, understand that the Mechanics Lien Act requires that you shall request and the contractor shall give you a signed and notarized written statement (known as a "Sworn Statement") that lists all the persons or companies your contractor hired to work on your home, their addresses along with the amounts about to be paid, and the total amount owed after the payment to those persons or companies.

Suppliers and subcontractors have a right to file a lien against your home if they do not get paid for their labor or materials. To protect yourself against liens, you should demand that your contractor provide you with a Sworn Statement before you pay the contractor.

You should also obtain lien waivers from all contractors and subcontractors if appropriate. You should consult with an attorney to learn more about your rights and obligations under the Mechanics Lien Act.*

*Disclaimer: The contents of this paragraph are required to be placed in the pamphlet for consumer guidance and information only. The contents of this paragraph are not substantive enforceable provisions of the Home Repair and Remodeling Act and are not intended to affect the substantive law of the Mechanics Lien Act.



Consumer Rights Acknowledgement Form

HOMEOWNER: Keep This Part And The Pamphlet

I, the homeowner, have received from the contractor a copy of the document titled "Home Repair: Know Your Consumer Rights."

Signature (Homeowner) Date

Signature (Contractor or Representative) Date

Name of Contractor's Business

Address of Contractor's Business

Consumer Rights Acknowledgement Form

CONTRACTOR: Keep This Part Only

I, the contractor, have given the homeowner a copy of the document titled "Home Repair: Know Your Consumer Rights."

Signature (Homeowner) Date

Signature (Contractor or Representative) Date

Name of Contractor's Business

Address of Contractor's Business

BASIC TERMS TO BE INCLUDED IN A CONTRACT

- Contractor's full name, address and telephone number. Illinois law requires that those selling home repair and improvement services provide their customers with notice of any change to their business name or address that comes about prior to the agreed dates for beginning or completing the work.
- Description of the work to be performed.
- Starting and estimated completion dates.
- Total cost of work to be performed.
- Schedule and method of payment, including down payment, subsequent payments and final payment.
- Provision stating the grounds for termination of the contract by either party. However, the homeowner must pay the contractor for work completed. If the contractor fails to commence or complete work within the contracted time period, the homeowner may cancel and may be entitled to a refund of any down payment or other payments made towards the work upon written demand by certified mail.
- Illinois law also requires contractors who offer roofing work to include their Illinois state roofing license name and number on contracts and bids.
- Provision stating the grounds for termination of the

contract if you are notified by your insurer that all or any part of the claim or contract is not a covered loss under the insurance policy, you may cancel the contract by mailing or delivering written notice to (name of contractor) at (address of contractor's place of business) at any time prior to the earlier of midnight on the fifth business day after you have received such notice from your insurer or the thirtieth business day after receipt of a properly executed proof of loss by the insurer from the insured.

If you cancel, any payments made by you under the contract will be returned to you within 10 business days following receipt by the contractor of your cancellation notice. If, however, the contractor has provided any goods or services related to a catastrophe, acknowledged and agreed to by the insured homeowner in writing to be necessary to prevent damage to the premises, the contractor is entitled to the reasonable value of such goods and services.

To file a complaint against a roofing contractor, contact the Illinois Department of Financial and Professional Regulation at 312-814-6910 or file a complaint directly on its website. **Keep a copy of the signed contract in a safe place for reference as needed.**

AVOIDING HOME REPAIR FRAUD

Please use extreme caution when confronted with the following warning signs of a potential scam:

1. Door-to-door salespeople with no local connections who offer to do home repair work for substantially less than the market price.
2. Solicitations for repair work from a company that lists only a telephone number or a post office box number to contact, particularly if it is an out-of-state company.
3. Contractors who fail to provide references when requested.
4. People who offer to inspect your home for free.

5. Contractors who demand cash payment for a job or ask you to make a check payable to a person other than the owner or company name.
6. Offers from a contractor to drive you to the bank to withdraw funds to pay for the work.