

# Avoiding Fraud and Deception<sup>1</sup>

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## Introduction

Disaster victims must be cautious about employing strangers to remove trees and do repair work on their property. Every agreement and credit contract should be read carefully and evaluated before it is signed. Shoddy workmanship and price gouging are common in crises.

Make sure the contractor holds a proper license by contacting the Florida Department of Business and Professional Regulation (FDBPR) in Tallahassee at 1-850-487-1395 (this is not a toll-free number), or visit the FDBPR website. Access online at <http://www.myfloridalicense.com/dbpr/>

If you do not live in Florida, check online or in the phonebook for your state's department of business and professional regulation. Beware of door-to-door salesmen and sound-alike names. Sometimes undependable workers enter a damaged area, make cheap repairs, and then leave before the residents discover that the repairs are inadequate. If your local contractor cannot do the work, ask him or her to recommend someone.

Make sure the contractor is insured and bonded. Uninsured workers may have the right to sue you if they are injured on your property.

Never let anyone begin working on your home or business without first establishing a written contract. Do not let anyone rush you into a deal.

Only donate or request disaster assistance through a reputable accountant, financial counselor/planner, bank, credit union, or non-profit organization. Do not give information out over the telephone.

## Tree Removal

When the storm is over, workers may appear with chain saws eager to make a "fast buck" removing trees and other damaged property.

Tree removal requires great skill; the best bet is to contact local tree services. Improperly felled trees can damage your home or neighbors' homes. Also, the tree cutter may be injured. Professional tree services are licensed, insured, and experienced; they carry liability insurance protecting

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the homeowner from a lawsuit in case of an accident. Make sure that any company you employ meets these criteria. Ask to see the company's license and evidence of liability insurance.

Ask for a cost estimate and schedule for completion of the work. Be sure the trees will be removed from your property after they are cut. Try to get estimates from more than one tree service provider. All details of the agreement should be in a contract and signed by both a representative of the tree service and the homeowner. If there is considerable local damage, tree service providers from throughout the region may come to help clear.

If you decide to employ an independent tree cutter in spite of the risks involved, draw up a written contract that clearly spells out the work to be done (e.g., number of trees to be cut, stump height or treatment, what is to be done with the cut trees and by whom, beginning and completion date of work, and amount to be paid and when). NEVER pay for work before it is done. Include a statement about who is responsible for expenses in case of an accident. This should include what happens if the worker accidentally damages your property and who pays if the worker is accidentally injured. This statement is no assurance of protection, but it may help.

## Home Repairs

If your home is damaged during a disaster, you should immediately contact your insurance company. The insurance company may require that specific procedures be followed to collect for repairs.

There are certain precautions to follow if you are responsible for arranging for the repairs. Take time to investigate the work quality and reliability of the home repair contractor or the worker you are considering hiring. Shoddy work will only increase your loss and frustration. Ask to see any applicable licenses. Before work begins, always get any agreement in writing and signed by both parties. Verbal agreements can be misunderstood and usually are unenforceable.

Contracts for home improvement projects should include the following information:

- Approximate date for beginning and completing the work (sometimes a specific disclosure states that no completion date is provided; however, it is advisable that you always require a completion date be given)

- A description of the work to be done (always require this to be detailed, describing the repairs to be made and the materials and grades to be used)
- All financing information required by state and federal laws
- Any warranty agreements
- Name and address of contractor and person for whom work is to be done

Never sign a completion certificate until all work is satisfactorily done. Also, never pay a home repair contractor or a worker for work before it is done. If considerable work is to be done, you may divide the cost for the work into two payments (i.e., you pay half of the payment up front and the other half when the job is completed).

## Landlords and Tenants

You have special rights and responsibilities if you are renting a residence that is damaged. Repairs are the responsibility of the landlord. You should immediately notify the landlord of any damage to the property and make reasonable efforts to help protect the property from any additional damage. The landlord is responsible for having the residence repaired and returned to livable condition. If repairs are not made within a reasonable time, the tenant has the right to reduced rent, or perhaps to terminate the lease and move.

## Source for This Publication

Beware of Fraud After Disasters. University of Illinois Extension. Access online at <http://web.extension.illinois.edu/disaster/PDF/fraud2.pdf>