

Protect Yourself from Contractor Fraud

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OKLAHOMA CITY – As Oklahoma residents repair and rebuild their properties after the April 19-20 severe storms, those hiring a contractor should proceed with caution and heed the warning of local and state emergency management officials.

When selecting a contractor, you should keep these tips in mind:

- **Do your research.** Potentially fraudulent contractors will usually come to you to offer their services — either at your door, on the phone or through email — so be especially wary of solicitors.
 - **Don't offer personal financial information over the phone.** Know who you are dealing with and always ask for identification.
 - **Get estimates from multiple contractors** and your insurance company.
 - **Ask for references from past customers.**
 - **Ask who will be performing the work** (often, the contractor is a "salesman" and may subcontract the work to inexperienced individuals who are paid in cash for the contractor to avoid paying taxes).
 - **Make sure contractors have the proper licensing** and are bonded.
 - **Ensure contractors obtain the necessary permits** to do the job.
 - **Verify insurance.** Contractors should have disability and workers' compensation insurance. If they don't, you may be liable for accidents on your property.
 - **Whenever possible, deal with local contractors** who have roots in your community, and independently verify any address or other contact information the contractor provides to you.
 - **Ask family, friends, coworkers or others whom you trust** for contractor referrals.

- **Use the Better Business Bureau, www.bbb.org, and internet search engines.** Fraudulent firms change names frequently, so search the web for their address and phone number, and include terms like “review,” “scam” and “complaint.”



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- **Demand satisfaction.** Don't sign completion papers or make final payment until the work is done correctly.
- **Don't wire money or use reloadable debit or gift cards.** There is no legitimate reason to use this form of payment.
- **Do not hire a contractor without a written agreement** that includes all relevant details, including any guarantees, warranties, promises made by the contractor and specific start/end dates for the project and how to negotiate changes and settle disputes.
- **Take a picture** of your contractor, their vehicle and license plate, business card and driver's license.
- **If your project involves roof repair,** make sure that the contractor is registered with the Oklahoma Construction Industries Board (www.ok.gov/cib or 405-521-6550).

If someone offers these services to you, they could be potentially fraudulent:

- The contractor claims to have materials left over from a previous job and offers to use them on your project for a steep discount.
- The contractor requires a substantial upfront payment and/or payment in cash.
- The contractor uses high-pressure sales tactics to push for a fast decision or does not take "no" for an answer.
- The contractor offers a discount on your project if you can refer other customers.
- If a deal sounds too good to be true, it probably is. Use your best judgement.

When looking for a contractor, stay patient. Research companies and resist the urge to make quick decisions in the moment. If you feel you have been defrauded by a contractor, report your concerns to your local law enforcement agency. You can also call the **FEMA Disaster Fraud Hotline at 866-720-5721** that is available 24-hours a day, or report the potential fraud to Oklahoma Attorney General Consumer Protection Unit at 833-681-1895 or ConsumerProtection@oag.ok.gov.

For the latest information visit fema.gov/disaster/4706. Follow the FEMA Region 6 Twitter account at twitter.com/FEMARegion6 or on Facebook at facebook.com/FEMARegion6/.



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