

STATE OF MICHIGAN



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## After the Flood: Schuette Shares Consumer Tips to Avoid Home Repair Scams

*A.G. Advises Consumers to Do Research Before Hiring Contractors to Repair Flood-Damaged Homes; Be Cautious About Strangers on Their Doorstep*

LANSING – Attorney General Bill Schuette today issued a consumer alert with tips for southeast Michigan residents facing damage from recent flooding. The alert, which Schuette issued through his Consumer Protection Division, offers tips on avoiding scam artists and criminals who exploit emergency situations, hiring a contractor for flood repairs and reporting possible price gouging.

“After a disaster like this week’s floods, people just want to get back to normal. Unfortunately, in the wake of tragedy, criminals and scam artists will exploit otherwise careful consumers,” said Schuette. “I encourage consumers to follow these tips to avoid falling victim to a flood of scams.”

Schuette noted that consumers affected by a flood will understandably want to complete home repairs as soon as possible to restore their lives to a sense of normalcy. However, in order to avoid falling victim to scams or unscrupulous contractors, Schuette encourages consumers to take time to research businesses or contractors before hiring anyone to do repairs at a home or business.

### **Do Your Homework Before Hiring a Contractor to Repair Flood Damage**

Schuette’s Consumer Alert recommends the following six consumer tips for hiring a water clean-up company or contractor:

- 1. Talk to your insurance agent or company.** Carefully review your homeowner’s or automobile insurance policy to determine what damage may be covered and the amount of your deductible. Then, call your insurance agent or company, and write down questions you have and the answers that you are provided, along with a list of whom you talked to and when. Take photos of any water damage to your home and contents. Make a list of damaged or lost items, including their age and value.

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2. **Check the contractor's complaint history** by calling the Attorney General's Consumer Protection Division (toll free) at 1-877-765-8388, and contacting the Better Business Bureau, 248-223-9400.
3. **For home repairs, ask if the contractor is licensed and insured, and demand to see proof.** Taking this step may help you distinguish between legitimate contractors and unlicensed scam artists offering to "save you money" by performing work that requires a license without proper credentials.
4. **Check to see if the contractor has been disciplined or if the license has been suspended or revoked.** Builders and contractors are licensed by the Licensing Division of the Bureau of Commercial Services, Michigan Department of Licensing and Regulatory Affairs (LARA). Consumers may visit the Bureau of Commercial Services' website to verify current license status and check for prior disciplinary action. You may also call the licensing division at 517-373-8376 to inquire about the status of a license.
5. **Get a written contract before any work is performed or payment is made.** Ensure that all promises, quotes, and expectations are put in writing in a contract that you review carefully before signing. Ideally, get quotes from two or three other companies before signing. To ensure that all work is completed in accordance with the contract terms and your expectations, arrange to pay for only part of the work up-front (generally, one-third of the total contract price should suffice) and pay for the rest of the work once it is completed to your satisfaction.
6. **Avoid paying in cash.** Paying for a home repair using a credit card is recommended, because using credit cards provides you with added protection to dispute a charge if the repair is not completed.

### **Protect Your Home and Property from Criminals**

Schuette cautions home and business owners to remain on guard and skeptical of any unannounced visitors or salespeople in the flood's aftermath.

"In the wake of disasters, scam artists will pop up, often impersonating utility workers and contractors," said Schuette. "Ask to see the ID of anyone who asks to enter your home or business unannounced, and verify their identity with proper authorities or the company they claim to represent. Ignore any door-to-door salesman offering damage recovery services."

Schuette added that reputable professional contractors rarely solicit door-to-door.

For a copy of the complete consumer alert, "After the Flood: Don't Let a Flood Emergency Lead to a Flood of Scams," visit the Attorney General's website: <http://1.usa.gov/1AhnCkY>.

### **Price Gouging Concerns**

Under the Michigan Consumer Protection Act, a provider of goods or services used primarily for personal or household purposes may not charge a price that is “grossly in excess of the price at which similar property or services are sold.”

Unfortunately, weather disasters can trigger high prices, but not all businesses may be raising prices at the same level. Schuette advises consumers to do their research and check with multiple businesses if a price seems excessive.

And, if consumers have evidence of grossly excessive prices, we encourage them to contact the Attorney General's Consumer Protection Division at 1-877-765-8388 and file an online complaint at [www.michigan.gov/ag](http://www.michigan.gov/ag). Specific information that would be helpful to provide include details of the specific item or service at issue, the business selling the item or service, the exact price charged, prices being charged by other businesses for the same or similar services, and a copy of the receipt if you purchased the goods or services at issue.

### **Flood Damaged Vehicles**

After the flood has passed, an unfortunate aftermath may be a flood of water-damaged vehicles on the used car market. Floods can damage vital parts of a car including airbag sensors, brakes, and electrical system – and the damage may not show up right away.

Be on the lookout for used car sale offers that seem ‘too good to be true.’ Before purchasing, have the vehicle inspected by an independent, competent automotive technician who has no relation to the seller. Also check the vehicle history through the National Motor Vehicle Title Information System established by the Department of Justice at [www.vehiclehistory.gov](http://www.vehiclehistory.gov).

An Attorney General Consumer Alert with additional information on how to protect against purchasing a flood damaged vehicle is available at: <http://1.usa.gov/VmUOI8>.