

HOW TO AVOID DISASTER-RELATED SCAMS

After any disaster, there are always those who will attempt to prey upon consumers. Here are some important tips on how to avoid becoming a victim of a scam:

Charities

For those who receive charity solicitations:

- Give to charities you know and trust – never give to a charity you know nothing about. Ask for literature and read it. Ask questions.
- Check whether the organization is registered with Consumer Affairs' Charities Registration Section.
- You may confirm whether an organization is registered or exempt by calling 973-504-6215 or on-line at: www.njconsumeraffairs.gov/charfrm.htm
- Find out how long the organization has been in operation and if you are concerned, ask to see its financial reports. These reports, called 990s, reveal how much money the organization takes in each year, how much it spends on the causes it claims to represent and how much it pays toward administrative, management and professional fund-raising fees.
- Don't be fooled by a convincing name. A dishonest charity will often have an impressive name or one that closely resembles a respected, legitimate organization.
- Don't let yourself be pressured into giving, and don't feel you have to contribute on the spot.
- Ask if the charity uses a professional fund-raiser and, if so, what percentage of your contribution will actually go toward flood relief efforts and how much will be used to pay the fund-raiser.
- Beware of unsolicited and phony e-mail notices that claim to be from a charity asking for your credit card information. This scam is called "phishing" and could be used by thieves to commit identity theft. To ensure that the e-mail notice is valid, call the charity directly.
- Never give your credit card number to strangers over the phone or Internet!

It is virtually impossible to list all scams that might develop, however, here a few frauds to be aware of:

- Telephone sales of “Disaster Relief Kits.”
- Fictitious fund-raising for flood victims.
- Prize promotion schemes where funds supposedly go to victims.
- People falsely claiming that they can help process disaster relief for a fee.
- Advance fee loans for those in need of money to begin home repairs.
- The traditional door-to-door home repair scams.
- Phony inspectors actually selling unnecessary items like home water treatment systems.
- Fraudulent, dishonest home improvement contractors.
- Unlicensed electricians and plumbers.
- Auto repair shops that overcharge, perform poor, faulty or unnecessary repairs and other deceptive practices.
- Con artists making promises that are simply ‘too good to be true’.
- Price gouging.

Home Repair

- Shop around and obtain at least three written estimates.
- Find out if the contractor you are considering is a registered contractor with the State of NJ, Division of Consumer Affairs.

The contractor must have a registration certificate issued by the state with his or her registration number imprinted on the

contract, in all advertisements and on the business vehicle. Check on line at

https://www1.state.nj.us/TYTR_BRC/jsp/BRCLoginJsp.jsp

- Inquire if the contractor has been the subject of complaints and/or legal action by the county or state by calling the State.
- Be wary of transient home repair contractors. If you hire a contractor, make sure you get names, addresses, phone numbers, license plate numbers and vehicle descriptions. If a problem does occur, this information will help law enforcement locate the contractor.
- Ask the contractors if they have liability insurance (as required by law) and whether they will be using subcontractors on the project.
- Ask your contractor about his or her professional affiliations and references and confirm the information with the organizations and former customers.
- Obtain a written contract. Home improvement contracts must disclose the legal name and business address of the contractor as well as a start date and completion date, a description of the work to be done, and the total price. Make sure the brand names of principal products and materials to be used or installed are listed on the contract.
- Contracts signed in your home must include a three-day cooling off period during which time you may cancel the deal.
- Do not pay for the entire job up front. The customary arrangement is one-third in advance, one-third halfway through the job, and one-third upon completion. Deposits are negotiable.

- Check with your municipality if any building permits are required and make sure either you (the homeowner) or the contractor obtain the necessary permits. Non-registered contractors are unable to obtain building permits !

Look For Red Flags

- Be wary if a contractor tells you that he or she needs a large payment before the home repair work can begin, insists that you pay cash, or tells you a written contract is not necessary – that a verbal agreement is enough. Contracts for home improvement projects costing \$500 or more must be in writing.
- Be wary if a contractor has a P.O. Box as opposed to a street address, does not have a business card, or is offering plumbing or electrical contracting services, but cannot produce a state license number.
- If the contractor is offering to do electrical work, call the Board of Examiners of Electrical Contractors at 973-504-6410 to ensure that he or she is properly licensed to do such work.
- If the contractor is offering plumbing services, call the State Board of Examiners of Master Plumbers at 973-504-6420 to ensure that he or she is properly licensed to do such work.
- When you sign a contract, ask the contractor for a lien waiver. A lien waiver is a receipt that states that the workers and material suppliers will not ask you for money once you have paid the contractor. Beware of any request by a contractor to have you sign a statement that says you will cover the costs of materials and labor if the contractor does not pay.
- Before you let in anyone who claims to have been sent by a utility company to inspect your home, ask for identification. Representatives of utilities and reputable businesses will have proper identification. When in doubt, call the company to verify the identity of the worker.

Price Gouging

Under the Consumer Fraud Act, it is unlawful during a State of Emergency or within 30 days of the termination of a State of Emergency to charge excessive prices – or a price that is 10 percent more than the original price – for any goods and services needed as a direct result of an emergency or to “sustain the life, health, safety or comfort” of individuals or their property.