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Head off contractor fraud following Hurricanes Harvey and Irma
How to avoid getting scammed by shady contractors delivering a disaster of their own

WASHINGTON, DC – Disasters can bring out the best in people. In the aftermath of Hurricanes Harvey and Irma, we have seen ordinary citizens helping evacuate people and rescue pets, sending money and supplies to help those who lost everything, and assisting neighbors in the task of damage assessment and starting the cleanup process. The aftermath of a natural disaster and the process of rebuilding unfortunately brings out its own set of "bad actors" in the form of exploitative contractors looking to make fast money off vulnerable people rebuilding homes following major disasters like Harvey and Irma.

Contractor fraud typically refers to the practice of individuals appearing to be contractors soliciting business from homeowners whose property suffered severe damage during a natural disaster. Rather than making the agreed-upon repairs, the individual claiming to be a contractor instead simply takes the money and then either makes shoddy, incomplete repairs or disappears altogether.

Following Hurricane Katrina in 2005, more than 1,300 people were prosecuted for contractor fraud, according to U.S. Department of Justice information. Homeowners flooded in the aftermath of Hurricanes Harvey and Irma should be vigilant when looking for contractors, remodelers and builders when they start rebuilding their homes. After a natural disaster, many cities experience an influx of out-of-town contractors, or so-called "storm chasers." Some are shady crews looking to take advantage of local residents desperate to restore their homes quickly.

The International Code Council offers the following information to educate homeowners on how contractor fraud occurs, what to watch out for to avoid being scammed and help curtail the amount of construction fraud that could occur in the aftermath of Hurricanes Harvey and Irma.

- **Forewarned is forearmed.** Be aware of the potential for contractor fraud. Storm-chaser scams have exploded in recent years and usually target traumatized homeowners and senior citizens.
- **Get a recommendation.** If you don't have a reliable contractor you've used in the past, ask your insurer to survey the damage and recommend approved contractors before hiring any post-disaster contractor. Provide your insurer with contractor licenses, written estimates and scope of work in detail.
- **Check the list.** Search and verify names through state licensing agencies. The Texas Department of Licensing and Regulation and the Florida Department of Business and Professional Regulation
websites have lists of credible contractors that consumers can consult before hiring someone to repair their homes. It allows you to search by licensees and by license type. You can also check with the Better Business Bureau to make sure contractors are licensed in your state.

- **Ask your neighbors.** The best protection is personal references. Ask your relatives, neighbors and friends who have had good experiences with contractors. Don’t hire someone who’s just walking from door to door; good ones don’t need to solicit work. Check with your neighbors on whether their homes suffered the damage a potential contractor claims to see on yours.

- **Avoid the paperless contractor.** Reject anyone who has no business card or company fliers. Be wary of anyone who lists a P.O. box instead of a street address or doesn’t have a local phone number or in-state license plates. Get everything in writing on letterhead (estimates, materials, prices, completion dates). Never sign a blank contract.

- **Vet them online.** Check any potential contractors out online and vet the company. See if they have a website and social media pages and check customer reviews online. Ask for a list of recent projects they have completed in the area and, if possible, email other homeowners who have worked with the contractors before to get their testimonials.

- **Watch what you sign.** Dishonest contractors will ask a homeowner to sign a contract for repairs on a digital tablet. However, when printed out, the bid is thousands of dollars higher, or the survivor may have unwittingly assigned FEMA disaster aid over to the scammer.

- **Get proof.** Request written proof of a contractor’s license and workers compensation insurance or builder’s risk insurance certificate as well as written estimates and scope of the repair work in detail. Depending on the size of the job, you may want a performance bond, which protects you if work isn’t done according to the contract. Call the insurance company to make sure the certificates are not forged. It’s also wise to get a copy of the contractor’s driver's license or other photo identification.

- **Professionals pull permits.** Be wary of contractors who offer to do their work without a contract or pulling permits. Every professional homebuilder executes a contract and pulls permits.

- **Be money-wise.** Get more than one bid on work, so you know if you’re being overcharged. Pay in installments. Deposits or upfront fees should not exceed 25 percent of the estimate. Pay them only after materials reach your home and work begins. Wait until the repair work is completed to your satisfaction to make the final payment. Don’t pay cash or write a check up front. Also, be wary if the materials pricing is too good to be true, because it probably is. If someone is half the price of another contractor, that should be a red flag.

- **Document until the end.** Throughout the remediation and rebuilding process, document the remediation and rebuilding work to ensure the work is done per contract. Paying a photographer or videographer to document the process may also help sell the home down the road. Don’t cut corners to save a little bit now, because it may cost you in the end.

- **Be patient and keep calm.** Following a disaster, homeowners feel as though they have to act immediately. Don’t let a sense of urgency lead you to hire someone. Be wary of contractors who offer a better deal if you sign a contract quickly or pressure you to start remodeling work as soon as possible. Avoid the high-pressure pitch. It’s a numbers game and scammers know that other homeowners are going to bite even if you don’t. Remember to be patient about when to start rebuilding.

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**About the International Code Council**

The [International Code Council](https://www.iccsafe.org) is a member-focused association. It is dedicated to developing model codes and standards used in the design, build and compliance process to construct safe, sustainable,
affordable and resilient structures. Most U.S. communities and many global markets choose the International Codes.