

FEMA
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Recovery Officials Warn Of Flood Repair Fraud

Columbia, SC - Returning to a flood-damaged home is bad enough, but don't be a victim twice when hiring contractor services to rebuild.

State and federal disaster recovery officials are advising South Carolina residents who have disaster-related damage from Hurricane Floyd to be extremely careful when hiring contractors to clean-up and repair their homes and businesses.

"Scam artists are often ready to seize the opportunity to capitalize on the misfortune of others," Stan McKinney, State Coordinating Officer, warns. "Be careful before you sign any contracts, and if you have doubts contact your local emergency management office or Better Business Bureau."

McKinney added that consumers should be particularly wary of contractors seeking work by going door to door, handing out flyers or asking for large cash deposits or advanced payments in full.

"It's best if those needing disaster work look first to licensed local contractors who have done good work for them in the past or to ask for their recommendations," McKinney said. Some building departments and trade associations keep lists of contractors who work in the community.

The Federal Emergency Management Agency (FEMA) recommends that residents check references if they are hiring someone they don't know.

In addition, a wise consumer should:

Use Reliable, Licensed Contractors: Check with the South Carolina Better Business Bureau at 803-254-2525 or the local business trades council to make sure the firm has no outstanding consumer complaints filed against it. The Residential Home Builders' Commission can provide current license and registration status information.

Get a Written Estimate: Be sure to obtain a written estimate for the job and read the fine print. Compare the services and prices of several reputable contractors before making a final decision. Make sure the estimate includes all that you expect to be done, as well as costs for taxes and other fees.

Proof of Insurance: Make sure the contractor carries general liability insurance and workers' compensation. If the contractor is not insured, the homeowner may be liable for accidents that occur on the property or to the house or building.

Ask for a Written Contract: Never sign a blank contract or a contract with blank spaces. A complete contract should clearly state all the tasks to be performed, all associated costs and the payment schedule. Make sure the contract clearly states who will apply for the necessary permits

or licenses. Have a lawyer review the contract if substantial costs are involved. Keep a copy of the signed contract.

Written Guarantees: This should state what is guaranteed, who is responsible and how long the guarantee is valid.

Pay by Check: Avoid on-the-spot cash payments. The safest route is to write a check to the contracting company - a reasonable down payment is 30 percent of the total project cost. Federal law requires a three-day "cooling off" period for unsolicited door-to-door sales for more than \$25.

Canceling a Contract: Cancel quickly. Canceling a contract should be done within three business days after signing. Be sure to follow contract cancellation clauses. Send the notification by registered mail.

Have Work Inspected: If excavation work is being performed, such as sewers or basement walls, make sure a qualified observer inspects the work before it is hidden from view. Consumers who have problems with a contractor or have been victims of fraud are urged to contact the State Office of Consumer Affairs at 800-922-1594 or the South Carolina Attorney General's office at 803-734-3970.

"Take your time, talk to building and floodplain officials, deal cautiously with contractors and the recovery process will be a positive one," Federal Coordinating Officer Larry Bailey said.

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Note to Editor: Information on (disaster) is available on FEMA's homepage on the Internet at <http://www.fema.gov>. Information also is available through FEMA's 24-hour fax-on-demand service by calling (202) 646-FEMA.

Radio News Directors: For recorded actualities on response and recovery operations call the FEMA Radio Network at 1-800-323-5248.

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