

ILLINOIS ATTORNEY GENERAL LISA MADIGAN

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MADIGAN WARNS HOMEOWNERS TO BE ON ALERT FOR FLOOD-RELATED HOME REPAIR SCAMS

Chicago – Following severe flooding in areas of downstate and southern Illinois, Attorney General Lisa Madigan today warned residents in impacted areas to be on alert for home repair contractors looking to exploit homeowners and local businesses that need repairs due to flood-related damage.

Madigan cautioned Illinois residents that scammers may quickly move into communities hit hard by flooding to take advantage of people with damage to their homes or businesses. Madigan noted that these “storm chasers” use the opportunity to pressure people into making quick, and often expensive, decisions about cleanup and construction work.

General contractors are not required by state law to be licensed; however, municipalities may require permits. Homeowners should check with their local governments for more information about permits or other local requirements.

Madigan encouraged local residents and business owners to call local law enforcement agencies and her office’s Consumer Fraud Hotline (1-800-386-5438) to report any suspicious activity.

“As flood waters crest and begin to recede, home and business owners will face a daunting cleanup,” said Madigan. “Unfortunately, it is important to be vigilant for scammers who will attempt to use recovery efforts for their own personal gain.”

Madigan offered the following tips to help protect families and businesses from dishonest contractors:

- Be wary of contractors who go door to door to offer repair services. Ask for recommendations from people you know and trust and, whenever possible, use established local contractors.
- Call the Attorney General’s Consumer Fraud Hotline (1-800-386-5438) to check out a contractor and to learn if any complaints have been filed against a particular business.
- Visit the Better Business Bureau’s central Illinois, Chicago or Metro East websites to see if a business is a member and whether any complaints have been lodged against it.
- Even if there is a need to act quickly, shop around for the best deal. Get written estimates from multiple contractors, and don’t be rushed into a deal.

- Get all of the terms of a contract in writing, and obtain a copy of the signed contract.
- Never make full payment until all the work has been completed to your satisfaction.
- **Never pay in cash.**
- Be aware that you have the right to cancel a contract within three business days if you signed it based on the contractor's visit to your home.
- In the case of disaster repair, you have an additional right to cancel. If your insurance carrier denies coverage, you have the right to cancel the contract within five days of when your insurance carrier denies your coverage.
- Ask to see required state and local permits and licenses. **Insurance adjusters and roofers must be licensed by state agencies.** If the contractor does not have a required license, or if the name on the license doesn't match the name on the contractor's business card or truck, that should raise a red flag. Please visit the Illinois Department of Financial and Professional Regulation's [website](#) to search licenses.

Madigan also reminded consumers that the Illinois Home Repair and Remodeling Act requires contractors to furnish customers with written contracts for any repair or remodeling work costing more than \$1,000. A contract must be signed by both the customer and the contractor. The law also requires contractors to carry at least minimum amounts of insurance for property damage, bodily injury and improper home repair. Contractors also must provide consumers with an informational pamphlet entitled "[Home Repair and Construction: Know Your Rights.](#)"

Madigan urged homeowners and business owners to contact her Consumer Fraud Hotlines to report being victimized by a contractor or to learn tips for finding a reputable contractor:

1-800-386-5438 (Chicago)
1-800-243-0618 (Springfield)
1-800-243-0607 (Carbondale)