

# Protect Yourself from Contractor Fraud

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Fake or unlicensed contractors may try to take advantage of Mississippi residents affected by the March 24-25 tornadoes. Insurance settlements, grants and loans allow homeowners to begin work on their damaged homes. But homeowners need to hire contractors who are authorized to do the work, will complete the work, and will do a good job.

## Watch Out

Scam artists may be in your community after a disaster. Be suspicious if you encounter:

- High pressure sales or scare tactics.
- Lack of references.
- People with no permanent place of business.
- Those seeking a handshake agreement or resisting giving a written estimate.
- Demands for cash for unusually large down payments or for advanced full payments.
- Special deals or extremely low bids.

## Protect Yourself

- Reputable contractors will provide a written contract detailing the scope of work, the general time frame of when the work will be done, and the cost of the project.
- Ask contractors for references from past customers.
- Ask about their insurance coverage and verify that coverage. Contractors should have disability and workers' compensation insurance. If they don't, you may be liable for accidents on your property.
- Make sure contractors have the proper licensing and are bonded.
- Make sure contractors obtain the necessary permits to do the job.
- Take pictures of your contractor, their business card and driver's license and their vehicle and license plate.



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- Do not sign documents that give a contractor the right to your insurance claims. Do not sign insurance checks over to a contractor. Get an invoice from your contractor and pay them directly, preferably with a credit card; in this way the charges may be disputed, if necessary.
- Don't sign completion papers or make a final payment until the work is done and has been done correctly. Inspect the work to be sure it is done correctly and as agreed.

## Choose a Good Contractor

FEMA does not certify contractors. FEMA does recommend using a local contractor, someone who is known in the community. To find accredited Mississippi contractors, contact the Better Business Bureau in Mississippi at [bbb.org/us/ms](http://bbb.org/us/ms). To find out if a potential contractor is licensed to work in Mississippi, contact the Mississippi State Board of Contractors at [msboc.us](http://msboc.us).

## Report Bad Deeds

If you believe you are the victim of a scam, report it immediately to your local police or sheriff's department. Also contact the Mississippi Attorney General by calling 601-359-3680. To file a consumer complaint online, go to <https://portal.ago.ms.gov/public/?q=node/403>.

If you suspect fraudulent activity involving FEMA, you can report it to the FEMA Fraud Branch at: [StopFEMAFraud@fema.dhs.gov](mailto:StopFEMAFraud@fema.dhs.gov), fax: (202) 212-4926 or write to: FEMA Fraud and Internal Investigation Division, 400 C Street SW Mail Stop 3005, Washington, DC 20472-3005.



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