

IF YOU SUSPECT FRAUD



Document Everything

Keep detailed records of all communication, contracts, payments, and work performed by the contractor.



Contact Authorities

Report suspected contractor fraud to your local police department and the New Mexico Regulation and Licensing Department.



Seek Legal Advice

Consult with an attorney who specializes in contractor fraud to explore your legal options and pursue restitution.



Warn Others

Share your experience verbally and online with friends, family, and neighbors to prevent others from falling victim to the same fraudulent activity.

Resources and Reporting

If you suspect contractor fraud, there are resources that can help.

To report suspected activity...

Request an investigation at RLD.nm.gov/CID

or email

CID.Compliance@rld.nm.gov.

The New Mexico Disaster Case Management team can also support you. For more information, call **(505) 670-4662**.



Avoiding Fraud and Abuse: A Guide for Hiring Contractors

Learn how to avoid contractor fraud and take steps to prevent fraud if you suspect it.

RED FLAGS

Be aware if your contractor...

- Asks for full payment up front or in cash only.
- Shows up unsolicited.
- Offers you payment or a gift card for a free inspection.
- Does not provide you with written documents (e.g., by email, mail).
- Does not have a fixed business location or uses unconventional places like a P.O. Box for their address.
- Does not allow you to review the contract or agreement.
- Asks you to sign over your insurance and/or compensation checks.

Steps to Prevent Contractor Fraud

Research potential contractors thoroughly.

Ask for referrals, and check reviews through organizations like the Better Business Bureau at www.BBB.org.

Get quotes from multiple contractors

Multiple quotes can help you check that you are getting a fair price.

Trust your instincts.

If something doesn't feel right, take caution. Don't be afraid to walk away if you become uncomfortable.

Do your homework.

Verify that a contractor has valid insurance coverage. Failure to have the right coverage could leave you responsible for accidents that occur on your property.

Ensure that the contractor obtains permits

Do this before the project work begins. The contractor should never ask you to obtain any permits. Working without proper permits can lead to costly fines or legal issues.

Set a payment schedule.

Avoid paying the full amount up front. Instead, establish a payment schedule tied to project milestones, and withhold final payment until you're satisfied with the completed work. If possible, pay with a credit card.