

It's Worth Knowing...

INSURANCE ADJUSTERS

If your home has sustained damage, you may be approached by a public adjuster who, for a fee, will offer to act on your behalf to settle your insurance claim. After you talk to your insurance company's adjuster, you may decide you want the assistance of a public adjuster. But before you agree to use a public adjuster:

- ▶ Ask what the adjuster is going to do and how much it will cost. Remember, fees are negotiable.
- ▶ Get all the agreements in writing. The contract must include a 3-day right to cancel notice.
- ▶ Call the Department of Insurance for more information at 1-800-927-4357

HOUSING REFUNDS

If your rental unit has been declared uninhabitable, you are entitled to a refund of your security deposit and last month's rent, less legally allowed deductions.

- ▶ The landlord has three weeks to refund this money.
- ▶ If you paid rent for the month and your housing is uninhabitable, you may be able to get a refund for the remaining portion of the month's rent.
- ▶ For additional information on landlord/tenant issues, call the Department of Consumer Affairs at 1-800-952-5210.

Adapted from: "The Great Flood of 1993: Don't Become a Victim of Fraud!!!...Tips for Consumers" Offices of Illinois Attorney General. And "Consumer Warning" A California Task Force of Your Local and State Consumer Protection Agencies.



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Getting It Together

Disasters— An Invitation For Fraud

CONSUMER ECONOMICS PROGRAM
COOPERATIVE EXTENSION
UNIVERSITY OF CALIFORNIA

HOME REPAIR FRAUD

One of the most pressing needs after a natural disaster is the repair of homes and other damaged buildings. Many such repairs will require the services of professional contractors. But professional con artists will also be out in force, perhaps overcharging, perhaps taking money in advance but not completing the work or doing the work haphazardly. These tips can help you avoid being scammed:

- ▶ **Be wary of door-to-door solicitors;** many home repair con artists are transients who move into the area of a disaster, collect as much money as they can, and then move on. California contractors must be licensed. Ask to see their wallet sized license and call the Contractors State License Board's disaster hotline at 1-800-962-1125 to make sure the license is not suspended and to obtain educational information. Consumers can verify a contractor's license status, 24-hours a day, at the CSLB web site www.cslb.ca.gov.
- ▶ **If you can, shop around for the best deal.** Get written estimates from several contractors. Don't allow a salesman to rush you into a deal.
- ▶ **Get all terms of the contract in writing, and get a copy of the signed contract.** Under state law, for home repairs over \$500, a contractor cannot collect a down payment more than \$1,000 or 10% of the contract price, whichever is less. Never make full payment until all work is completed to your satisfaction. Also, be aware that you have the right to cancel within three business days after signing the agreement. In the absence of a true emergency, no work can be started on your property during the three-day cancellation period.

CHARITY FRAUD

There are many worthy disaster relief organizations providing food, shelter, clothing and other assistance to victims. But con artists will prey upon the generosity of others to collect money—supposedly in the name of victims,

but in reality benefiting no one but the fraudulent solicitor. Keep these points in mind:

- ▶ **All groups soliciting** for charitable donations in the state are required to register with the State Attorney General's Office. Also, be alert to the possibility of a "sound-alike" name, one that is similar to the name of a well-known relief organization.
- ▶ **Don't assume** that a solicitor who claims to represent a well-known charity actually works for that organization. Ask for identification; call the charity to verify.
- ▶ **Charities and solicitors must disclose** what percentage of money they collect is used for actual services and what is used for administration, fund raising costs, etc.—but only if you ask for that information.
- ▶ **Obtain specific information** about where the charity is located, a phone number where you can contact the organization, and what programs it provides, and think twice about donating to that particular group if the answers are vague or unsatisfactory.

PHONY "OFFICIALS"

Always ask for identification from anyone coming to your door claiming to be operating in an official capacity (building inspector, telephone or utility repairman, etc.). Do not admit anyone into your home unless they can present authentic identification; don't hesitate to call their employer to verify if you feel uncertain. Only an impostor will mind the wait.

ADVANCE FEE LOANS

Many consumers may find themselves in need of loans or deferment of existing debts while they recover from the effects of a disaster. But many schemes offering "fast" or "guaranteed" loans or extensions of credit may be nothing more than scams. Some con artists may represent themselves as brokers who, for a "processing" fee can obtain FEMA checks for you.

- ▶ **Avoid "advance-fee" loans** in which a company "guarantees" that you will receive a loan, but requires that you

pay money up-front to obtain it. Such "guaranteed" loans rarely exist. A state-or federally-regulated lending institution can tell you if you qualify for a loan.

- ▶ **Do not give your credit card number, checking account or social security number over the phone** unless you are familiar with the company seeking the information.
- ▶ **Be wary of ads that give you a 1-900 number to call for "free" loan information.**

TELEMARKETING

Basic rules to keep in mind when solicited for any goods or services by phone, during the aftermath of a disaster or at any time:

- ▶ **Don't give your credit card number or other personal information out over the phone** to someone who calls you to solicit business.
- ▶ **Don't let yourself be pushed into a purchase** by a high-pressure salesperson.
- ▶ **Ask the solicitor if you can return the phone call, and obtain a number where the company can be reached.** You can check with the Attorney General's Office at 1-800-952-5225 or your local Better Business Bureau to see if there are complaints against the company.
- ▶ **Don't hesitate to hang up** when a uninvited solicitor calls.



Remember: If something sounds too good to be true, it probably is.