



DON'T GET NAILED

Beware of the following contractor fraud **RED FLAGS:**

- Does not provide a local address or local telephone number—do not hire someone who only supplies a cell phone number.
- Solicits door-to-door. Legitimate (and busy) contractors do not have time to solicit door-to-door.
- Just happens to have left-over materials from previous jobs.
- Will give you a discount for recommending other customers.
- Demands that you pay in cash or for the job upfront.
- Tries to pressure you into signing a contract you haven't read or that has blank spaces.
- Asks you to get the building permits.
- Asks you to use your home as security for a home improvement loan or borrow money from a lender the contractor knows. If you do not pay the loan or miss a payment, the lender can take your home and sell it.
- Uses high pressure sales tactics to scare and intimidate you.
- Claims that your job will be a "demonstration."

For more information on Contractor Fraud, contact:

Louisiana Attorney General's Office
Consumer Protection Hotline
1-800-351-4889
www.ag.state.la.us

Louisiana State Licensing Board
for Contractors Hotline
1-800-256-1392
www.lslbc.louisiana.gov

This public document is published at a total cost of \$8,862.89. Two-hundred thousand (200,000) copies of this public document were published in this first printing at a cost of \$8,809.89. The total cost of all printings of this document including reprints is \$8,862.89. This document was published for the Louisiana Department of Justice by LSU Printing, Graphic Services, Baton Rouge, LA to increase consumer awareness on vital issues under the authority of the Division of Administration. This material was printed in accordance with standards for printing by State Agencies established pursuant to R.S. 43:31. Printing of this material was purchased in accordance with the provisions of Title 43 of the Louisiana Revised Statutes.

CONTRACTOR FRAUD:

How to Choose a Contractor and Avoid Fraud

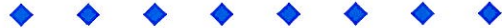


**Louisiana Department of Justice
Attorney General's Office
Consumer Protection Section**

KNOW THE LAW:

Don't Be A Victim Twice

You may be frustrated and anxious, but if you neglect to take precautions when hiring a contractor, you may hire someone who does not get the job done in a reasonable time; who is inexperienced and who may not do the job well; and all too often, just a plain crook, who seizes the opportunity to make a fast buck!



LOUISIANA LAW SAYS...

- Hire **only** licensed and insured contractors.
- Projects that require a state license:
 - ~ Commercial Projects over \$50,000
 - ~ Residential New Construction of Single Family Homes
 - ~ Home Improvement/Remodeling over \$7,500 requires state registration
 - ~ Hazardous materials or mold remediation over \$1.00
 - ~ To check a contractor license or registration number, call (800) 256-1392 or visit www.lslbc.louisiana.gov.

All contracts must be in writing!

CHECK IT OUT:

Recommendations For Hiring A Contractor

Before hiring a contractor, use the following recommendations:

1. Get at least 3 bids **in writing** before hiring a contractor. Cheap does not mean qualified.
2. Ask friends, family, or co-workers for contractor recommendations.
3. Only pay 10% down or \$1,000, whichever is less.
4. Never pay cash!
5. Inspect the entire job *before* making the final payment.
6. Contact local trade organizations, such as your local Builder Association, for the names of members in your area.
7. Check out the contractor's complaint record with the Attorney General's Office or the Better Business Bureau.
8. Keep all paperwork related to the home repair project in one place.
9. Check the contractor's references.



GET IT IN WRITING:

Signing the Dotted Line



Before signing a contract, make sure the contract contains:

- The contractor's name, address, phone, and license number.
- A payment schedule for the contractor, subcontractors and suppliers
- An estimated start and completion date
- The contractor's obligation to obtain all necessary permits
- How change orders will be handled.
- A detailed list of all materials, including color, model, size, brand name and product.
- Warranties covering materials and workmanship.
- What the contractor will and will not do. For example, is the site clean-up and trash hauling included in the price?
- Oral promises also should be added to the written contract.
- A written statement of your right to cancel the contract within three business days if you signed the contract at your home or at a location other than the contractor's place of business.