

CONTRACTOR FRAUD CHECKLIST

- Did the Client contact the contractor - or did the contractor telephone or knock on the door?
- Did the Salesman stay with client while repairmen went under mobile home or checked out heater/ac/roof, etc without knowledge or permission of client?
- How long did the salesman stay? (*In-home Solicitation Law requires 3 hrs. or less*)
- Did the Salesman insist on contract signing same day? Did he leave a fully executed copy with client?
- Were “fear tactics” used to sell the repairs (i.e. fire, flood, earthquake damage, State fines)
- Are any discounts (i.e. “Senior Discount”) shown clearly on contract?
- Did work begin before 72 hours?
- Did Contractor pull permits? *Permits required for re-roof, re-plumb, earthquake bracing (pads only do NOT require permit). (Plumbing permits through Housing & Community Development; earthquake and roofing through city/county Building & Safety)*
- Is Contractor licensed? (*If not, remedy is civil and cannot be sought through CSLB; however, reporting to CSLB is critical and may result in unlicensed contractor “sting” with cite and release to court.*)

THE FOLLOWING ITEMS ARE REQUIRED BY LAW ON HOME IMPROVEMENT CONTRACTS (IF ONE OR MORE ARE MISSING, CONTRACT RECISSION IS POSSIBLE AFTER 72 HOURS)

INFORMING:

- Contractor’s name, address, and license number
- Name and registration number of salesperson who solicited or negotiated the contract
- Statement regarding where to file a complaint (CSLB name, address, phone #)

SCHEDULING:

- Approximate starting and completion dates of job
- Notice of consequences if contractor fails to substantially commence work within 20 days of start date

DESCRIBING:

- Description of the work to be done, including materials and equipment to be used or installed
- Any changes or change orders after the original contract has been signed

PAYING:

- Down payment is 10% of the total cost of the project or \$1,000, whichever is less
- Schedule of payments in dollars and cents (if payments made over time, how much and when due)
- Retail credit agreement must show all of the following: a) annual percentage rate b) finance charge c) amount financed d) total of b and c (If any are missing, right to cancel is 3 yrs.)
- Notice to owner regarding Mechanics Liens & lien releases upon payment for work

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PERMITS:

- Must be posted on job in clear view
- If Contractor is not responsible for permits, this must be clearly stated on the contract

EMERGENCY REPAIRS:

- Emergency waiver of right to cancel, ALLOWABLE ONLY WHEN BUYER INITIATES CONTRACT, is on separate piece of paper, in buyer's own handwriting stating the emergency condition, is signed and dated by buyer, and expressly acknowledges and waives buyer's right to cancel.

CANCELING:

- Statement of right to cancel located in space near buyer's signature / cancellation forms attach'd
- Oral declaration by contractor of buyer's right to cancel is also required

To Check Licensing or Report Abuse:

Check License Status:

Contractors State License Board: 1-800-321-2752

Request Complaint Form:

Contractors State License Board: 1-800-321-2752

Report Abuse and Request Advocacy:

Adult Protective Services

Better Business Bureau

Contractors State License Board: 1-800-321-2752



The elderly are often the victims of contractor scams for a number of reasons, including:

Many own older homes in need of repair. When a solicitor offers to make repairs or improvements, the homeowner is willing to listen.

Generally, senior homeowners have access to cash acquired from a lifetime of saving or equity in their homes.

Some seniors who live alone may feel intimidated by solicitors and believe they must agree to the pitch.

Many seniors are trusting by nature; they grew up in a time when a handshake was as good as a written contract.

Some elderly homeowners hesitate to report scams.

FACTS TO BUILD ON

Senior Scam Stopper Fact Sheet

The following are common contractor cons that seniors may face:

On-Your-Street Cheat

A door-to-door solicitor offers to do roofing, painting, or paving work at a reduced price by using left-over materials from a job just completed in the neighborhood. It sounds like a good deal to the elderly homeowner. The problems are that there is no recently completed job, no neighbor, and no left over materials. However, there is an unscrupulous contractor who demands cash, does little or no work, and then abandons the project.

Scare Tactic Racket

A home repair contractor claims that faulty wiring, bad plumbing or a leaky roof put the homeowner in danger and that repairs must be made immediately. Alarmed and unable to physically climb on a roof or crawl under a sink to verify the contractor's claim, the elderly homeowner agrees to unnecessary and over-priced work.

Cash 'N' Dash

A contractor demands cash for a home repair or remodeling job, sometimes going so far as to drive the elderly victim to the bank to withdraw funds. The unscrupulous contractor states the money is needed to buy materials or pay workers, but with cash in hand, the contractor drives off and never returns.

Down Payment Lowdown

A contractor takes an illegally large down payment or demands payment before work is completed. By law, a down payment on a home improvement project cannot be for more than 10 percent of the total project or \$1,000, whichever is less. The dishonest operator takes the money but never finishes the job.

Handshake Mistake

A contractor states that a written contract is unnecessary—promising to deliver on any verbal agreement. Some elderly homeowners have a trusting nature and consider a handshake to be as good as a written contract. The con artist takes advantage of this situation to perform shoddy work—or none at all.

(Continued on back)



FACTS TO BUILD ON *(Continued)*

Tips to Avoid Senior Scams:

- Unless you call them to come to your home, don't let salespeople into your house.
- Before you allow a contractor into your home, check the license with the CSLB.
- Never let others see where you keep your wallet, purse or checkbook.
- Check the ID of any service or repairperson or contractor.
- If anyone, including those claiming to be contractors, comes to your door and is suspicious, call local law enforcement.
- Don't pay cash.
- Refuse to pay up front for materials.
- Don't let payments get ahead of the work.
- Don't be intimidated into immediately withdrawing funds from the bank.
- Always get a written and signed contract for home improvements and repairs.

HOME REPAIR FRAUD PROBLEMS AND PREVENTION

TYPICAL SCAM:

Mr. and Mrs. Richards, who have lived in the same double wide mobile home for over 20 years, received a call from a local mobile home repair company offering to do a “free stabilization check” on their mobile home. Although they had not noticed any problems, the Richards agreed to an appointment for that same afternoon.

After crawling underneath the mobile home, employees informed the Richards, without benefit of a written work estimate, that their jacks were weakened by rust, did not meet the new earthquake-proof standards, and warned them that their home would definitely be destroyed in even a mild earthquake. They offered to discount the work if the Richards would pay cash and sign an emergency waiver so that work could begin immediately.

TIPS FOR FRAUD PREVENTION:

- ◆ Plan ahead. Know which services you want or need before contacting a contractor.
- ◆ Get two or more detailed estimates from reputable contractors. Contact the Contractors State License Board and the Better Business Bureau to check the license of the contractor and access any complaint records on that license.
- ◆ Contact your local building inspection department to check for permit and inspection requirements.
- ◆ Call your insurance company to find out if you are covered for any injury or damage that might occur on your property and be sure your contractor has the required employee insurance.
- ◆ Insist on a complete written contract which reflects exactly the scope of the work, the quality of materials that will be used, timetables, the names of any subcontractors, the total price of the job, and the schedule of payments.
- ◆ Never make a down payment on a job of more than 10% or \$1,000.00 (whichever is less) before the work is completed.
- ◆ Never pay cash! Never allow yourself to be driven to the bank by a contractor.
- ◆ Understand your three day cancellation rights and don't sign them away on an emergency waiver.

**If you feel you have been a victim of a home repair fraud please file a complaint with the
Contractors State License Board or Better Business Bureau, and APS:**

Your local APS Office

Contractors State Lic. Brd.
1-800-321-2752

Better Business Bureau



Northern California: Sacramento Intake & Mediation Center P.O. Box 269116, Sacramento, California 95826-9116 1-800-321-CSLB (2752) FAX (916) 255-4449

Southern California: Norwalk Intake & Mediation Center 12501 East Imperial Highway, Suite 620, Norwalk, California 90650 1-800-321-CSLB (2752) FAX (562) 466-6064

Consumer Complaint Form

PLEASE COMPLETE BOTH SIDES OF THIS FORM. TO HELP CSLB RESOLVE THIS COMPLAINT, ANSWER AS MANY QUESTIONS AS POSSIBLE.

1. YOUR NAME last first middle 2. CONTRACTOR NAME (as shown on contract/invoice) ADDRESS number street LICENSE NO. USED city county state ZIP code ADDRESS number street city state ZIP code PHONE WHERE YOU CAN BE REACHED 8 a.m.-5 p.m. HOME PHONE EMAIL ADDRESS PHONE EMAIL ADDRESS 1b. I AUTHORIZE THE FOLLOWING PERSON TO HANDLE THE COMPLAINT ON MY BEHALF: NAME last first middle ADDRESS number street city state ZIP code PHONE 8 a.m.-5 p.m. HOME PHONE 3. HAVE YOU FILED IN COURT TO RECOVER DAMAGES ON THIS COMPLAINT? YES NO IF SO, PLEASE ATTACH DOCUMENTATION WITH THIS FORM.

PROJECT INFORMATION

4. OWNER OF CONSTRUCTION SITE address ZIP code 5. CONSTRUCTION SITE ADDRESS number street city county state ZIP code PHONE PHONE

6. DESCRIBE BRIEFLY THE WORK FOR WHICH YOU CONTRACTED

7. CONTRACT DATE 8. AMOUNT 9. AMOUNT PAID ON CONTRACT 10. DATE WORK STARTED 11. DATE WORK CEASED

12. WHY DID YOU CHOOSE THIS CONTRACTOR? REGULAR CUSTOMER DOOR-TO-DOOR SOLICITATION ADVERTISEMENT (ENCLOSE COPY OF AD IF POSSIBLE) REFERRED BY SOMEONE OTHER-EXPLAIN:

13. BRIEFLY STATE YOUR COMPLAINT

PLEASE COMPLETE BOTH SIDES OF THIS FORM. (IF MORE ROOM IS NEEDED PLEASE ATTACH A SHEET OF PAPER.)

FOR OFFICE USE ONLY

Table with columns: COMPLAINT NUMBER, TYPE CNST, IN V, OR G, PRTY, DATE RECEIVED MO DA YR, SPECIAL PROJECT, DT STAT EXP MO DA YR, CSR INIT, ASSIGNED TO CSR MO DA YR, ER INIT, ASSIGNED TO ER MO DA YR, LICENSE NUMBER, CLOSURE LETTER, DISPOSITION, DATE CLOSED MO DA YR, STATUS CHANGE C DATE, STP C DATE, SECTIONS VIOLATED C DATE.

What You Should Know About the Contractors State License Board

- The CSLB provides information about a contractor's license, bond and workers' compensation insurance status, as well as pending and prior legal actions.
- Free consumer publications and complaint forms are available from the CSLB.
- Go to CSLB's Web site at www.cslb.ca.gov, call (800) 321-CSLB, or write to CSLB, P.O. Box 26000, Sacramento, CA 95826 for information.



You can do more to protect yourself before hiring a contractor than the Contractors State License Board can do to help after you've been harmed.



*Before you sign a contract;
Before you hire a contractor; or
Before you pay for work and
repairs to your home;
Get free information from the
Contractors State License
Board at www.cslb.ca.gov.*

Contractors State License Board
P.O. Box 26000, Sacramento, CA 95826

What Seniors Should Know

BEFORE HIRING A CONTRACTOR

*Serving
California*

Since 1929



CONTRACTORS
STATE LICENSE BOARD

What You Should Know Before You Hire a Contractor

- Read *What You Should Know Before You Hire a Contractor*, available online at www.cslb.ca.gov or at (800) 321-CSLB.
- Take your time before you make a decision about hiring a contractor.
- Get at least three bids and check references.
- Hire only licensed contractors. Anyone performing home improvement work valued at \$500 or more must be licensed by the Contractors State License Board.
- Get the contractor's license number and verify it online at www.cslb.ca.gov or at (800) 321-CSLB.

What You Should Know About the Contract

- Get your contract in writing and don't sign anything until you understand the terms.
- Ask a friend or relative to review the contract before you sign it.
- Include in your contract: a specific description of work to be done, materials to be used, total cost of the project, and start and completion dates.

What You Should Know About Unscrupulous Contractor Scams . . .

⚠ Door-to-Door Solicitations

A solicitor offers to do roofing, painting or paving work at a reduced price. Once payment is made, little or no work is done and the project is abandoned.

⚠ High Pressure Sales

An unscrupulous contractor pushes for an immediate decision about work, which makes it impossible for the homeowner to get competitive bids, check licenses or review references.

⚠ Scare Tactics

A deceitful contractor offers to perform a free inspection, then claims that faulty wiring, bad plumbing, or a leaky roof put the homeowner in peril. The alarmed homeowner agrees to unnecessary and over-priced work.

⚠ Demand for Cash

A contractor demands cash payments, sometimes going so far as to drive the victim to the bank to withdraw funds. With money in hand, the unscrupulous operator takes the money and runs.

⚠ Illegally Large Down Payments

A dishonest contractor takes more for a down payment than is allowed by law, claiming to need instant cash for supplies and to pay workers. By law, a down payment cannot exceed 10 percent of the project price or \$1,000, whichever is less.

⚠ Verbal Agreements

A contractor states that a written contract is unnecessary—promising to deliver on the verbal agreement. The shady operator takes advantage of the situation to perform shoddy work—or none at all.

What You Should Know About Payments

- Don't pay cash.
- Include a payment schedule in your written contract.
- Don't pay more than 10 percent of the job or \$1,000, whichever is less, as a down payment.
- Don't let payments get ahead of the work.



Don't be a victim of unscrupulous or unlicensed contractors . . .



Cuando se le solicita, la Junta Estatal para el Otorgamiento de Licencias a Contratistas le proporciona información acerca de la licencia de un contratista y su situación en cuanto a bonos de seguridad (garantías) y a asuntos relacionados al seguro de compensación para el trabajador se refiere, así como acerca de acciones legales pendientes y anteriores.

■ Situación de la Licencia

Si usted desea obtener información acerca de la situación de la licencia de un contratista, por favor, llame al número telefónico gratuito de la Junta al 1-800-321-CSLB (2752) ó conéctese por medio de la Internet al www.cslb.ca.gov.

■ Antecedentes de Acciones Legales

Si a usted le gustaría obtener información acerca de los antecedentes de la licencia de un contratista y acerca de acciones legales pendientes o anteriores, por favor llame al número de teléfono de la Oficina Regional Encargada de la Revelación de Acciones Legales:

Región del Norte: (916) 255-4041
Región del Sur: (562) 466-6021

■ Formularios para Quejas

Si usted tiene una queja en contra de un contratista, llame a la Junta al 1-800-321-CSLB (2752), y pida una copia de la publicación titulada "Una Guía para el Consumidor para Presentar Quejas Relacionadas a la Construcción" ("A Consumer Guide to Filing Construction Complaints") y un formulario para quejas.



La CSLB puede informarle si su contratista cuenta con licencia, tiene buena reputación y está en la clasificación apropiada para satisfacer sus necesidades.

Usted puede hacer más para protegerse a sí mismo antes de contratar a un contratista, que lo que la Junta Estatal para el Otorgamiento de Licencias a Contratistas puede hacer para ayudarlo después de que usted haya sufrido daños. Llame o conéctese con nuestro sitio electrónico de la Red ahora mismo para obtener información valiosa sobre cómo seleccionar a un contratista.

La Junta Estatal para el Otorgamiento de Licencias a Contratistas cuenta con oficinas en todo California. Para obtener el número y dirección de la oficina más cercana a usted, llame al número gratuito de información automatizada de la Junta al:

1-800-321-CSLB (2752)

ó conéctese por medio de la Internet al:

www.cslb.ca.gov

P.O. Box 26000, Sacramento, CA 95826

Lo que los Consumidores de California Deben y no Deben Hacer

Lo que Usted Debe Saber

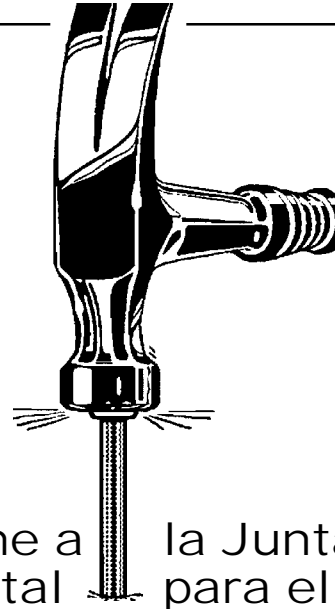
ANTES DE CONTRATAR A UN CONTRATISTA



JUNTA ESTATAL PARA EL OTORGAMIENTO DE LICENCIAS A CONTRATISTAS DE CALIFORNIA

NO se deje engañar por un contratista inescrupuloso o sin licencia.

Antes de contratar a un contratista o firmar un contrato para que se hagan reparaciones en su hogar, llame a la Junta Estatal para el Otorgamiento de Licencias a Contratistas al 1-800-321-CSLB (2752).



Consejos en general

- **No** sea una víctima. **Tenga** en cuenta que los farsantes que se hacen pasar por contratistas han engañado a los consumidores.
- **Solamente** trate con contratistas que tengan licencia.
- **No** se apresure para hacer reparaciones, independientemente de con cuánta urgencia se necesiten.
- **No** contrate al primer contratista que se le pare enfrente.
- **Pida** ver la “licencia de bolsillo” del contratista o su registro de Ventas para Mejoras a las Viviendas.

A todos los contratistas se les expiden licencias de bolsillo que muestran la clase de oficio para el cual ellos cuentan con licencia y la fecha de vencimiento de la licencia. Pida ver alguna forma adicional de identificación, para que usted sepa con quién está tratando.

Llame a la Junta Estatal para el Otorgamiento de Licencias a Contratistas

- **Llame** a la Junta Estatal para el Otorgamiento de Licencias a Contratistas al 1-800-321-CSLB (2752) ó conéctese por medio de la Internet al www.cslb.ca.gov para verificar la información proporcionada por el contratista que haga la licitación. Esté preparado para dar el nombre, número de la licencia y dirección comercial del contratista.
- **Por lo menos** obtenga tres licitaciones y pida referencias del trabajo que el contratista ha realizado en la localidad.
- **Pida** la publicación titulada “Lo que Usted Debe Saber antes de Contratar a un Contratista” (“What You Should Know Before You Hire a Contractor”), la cual le ayuda a tomar decisiones basadas en información con relación al trato con contratistas. Pídala llamando al teléfono 1-800-321-CSLB (2752) ó transfiera una solicitud del sitio electrónico www.cslb.ca.gov en la Internet.

Información financiera

- No pague en efectivo.
- No haga pagos por partes del trabajo que no han sido completadas, y no pague el costo total del trabajo, antes de que éste se realice.
- Sepa cuánto debe dar como depósito.

Conforme a la ley estatal, cuando los contratistas se comprometen a realizar un trabajo de mejora a una casa o un trabajo de reparaciones, no pueden pedir un depósito mayor del 10% del costo total del trabajo o \$1,000, lo que sea menos—a menos que el contratista proporcione un bono de seguridad, el equivalente a un bono de seguridad aprobado o un control conjunto aprobado que asegure que completará lo estipulado en su contrato. Cualesquier de dichos bonos de seguridad es adicional a la garantía requerida a los contratistas, a fin de otorgarles la licencia.

- Pida un contrato por escrito y no lo firme hasta que entienda completamente los términos.

***Antes de firmar un contrato;
Antes de pagar por las reparaciones;
Llame al número gratuito de la Junta
Estatal para el Otorgamiento de
Licencias a Contratistas al:***

***1-800-321-CSLB (2752)
o conéctese por medio de la Internet al:
www.cslb.ca.gov***