Scam Alert – August 2009
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Summer Repairs

After our recent hailstorm, I think it is necessary to remind our community to remain cautious when hiring someone to do home improvements and/or repairs. This will undoubtedly bring not only legitimate businesses into our neighborhoods for repair, but it will also bring the con-artists back into our area as well. Being sure to take the necessary steps will protect you and your hard earned money.

Safety guidelines:

- Do not rely solely upon ads in the phone book. Always check a business through the Better Business Bureau by either calling (866)206-1800 or by visiting their website at www.bbb.org. They'll be able to tell you whether or not they have a satisfactory business record with the BBB, whether they are in fact an accredited member of the BBB, and what kind of complaints they may have on the company.

- Next place to check out the company is with the Secretary of State by calling either (303)894-2200 or by visiting their website at www.sos.state.co.us.

- To verify that a contractor is licensed, contact the Pueblo Regional Building Department located at 316 W. 15th Street, Pueblo, Colorado. This can be done by calling (719)543-0002 or by visiting their website at www.prbd.com.

- Don’t do business with door-to-door contractors. Just because they pulled up in front of your house in a fancy truck with advertising decals on the doors does not mean that they are a reputable business. It could mean that they are that good of a con artist.

- Keep all doors, including the garage door, closed and locked at all times, especially when you are outside working in the yard. It may seem like more of a hassle to keep unlocking the door every time you need to enter, but if you stepped away from the front of the house to retrieve something in the backyard, that's all the time they need to gain access to your home.

- Secure sliding glass doors with anti-slide block or slide bolt.
Hiring someone that is just passing through can prove to be a disastrous decision. Often they will state that they have extra supply material left over from a big job and are needing to get rid of it. They offer to do the work and charge you less than what a reputable local company would charge you. They will usually ask for a deposit, or even the full amount, up front and state that they will go get the supplies and return. Some take the money and never return. Those that do return, usually provide extremely poor labor with paint that is watered down, paving material that is applied very thin and will crumble and crack within a short time, insect spray made up of nothing more than water and/or water and milk, roofing repair consisting of nothing more than silver or black spray paint on the roof. Some do the work and add on extra work than what was agreed upon. As most work in pairs, they will then intimidate you into paying the increased amount.

It may cost you more in the long run to hire someone from a reputable business that has been checked out with the Better Business Bureau, but you at least have a better sense of who you're dealing with, and possible recourse if the job is not done correctly.

As a reminder about insurance companies paying on claims:

In a competitive market, which provides the lowest prices and highest quality of commodities and services, an individual should be able to choose a repair business.

House Bill (HB) 07-1104 enacted by the Colorado Legislature in 2007 does just that. It concerns the "referral by an insurance company of an insured to a property repair business". Basically, the bill "safeguards the public against monopolies, trusts and market barriers," and "fosters and encourages competition by prohibiting unfair and discriminatory insurance practices that impede fair and honest competition".

HB 07-1104 further states that "an insurer or its agent that issues or renews a policy that insures real or personal property shall not directly or indirectly require that appraisals or repairs to the property be made or not be made by a specified repair business." They are not to "represent that the use of, or the failure to use, a particular repair business may result in the nonpayment or delayed payment of a claim; nor are they to intimidate, coerce, threaten or induce by incentive to use a particular repair business for repairs, except that an inducement by incentive does not include warranty or guaranty repairs".

The insurer may provide a list of repair businesses for consideration, but must verbally or in writing disclose to the claimant that the choice or who completes the repairs is up to the claimant.

If you feel that you have a complaint, or have questions about insurance practices, please contact the Colorado Insurance Commissioner at (800)930-3745.