

# **WHEN DISASTER STRIKES**

## **ADVICE & TIPS FOR CONSUMERS**



**ATTORNEY GENERAL**

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## **INFORMATION MATERIALS**

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## WHEN DISASTER STRIKES

Attorney General Roy Cooper warns North Carolinians to protect themselves against a variety of scams that often follow disasters. Even in emergency situations, it pays to be a smart consumer. Con artists prey on people who are down on their luck. Consider the following tips to protect yourself:

### ***Home Repair and Clean-up***

Fly-by-night contractors often rush in only hours after a disaster strikes. They often promise immediate or cheap home repair, clean-up, or remodeling. Often they want up-front money and do a shoddy job or take your cash and run. Don't do business with strangers arriving at your door offering to do repairs. Beware of any contractor who tries to rush your decision. Check and try to deal with repair people you know or with ties to the community. Get references and an estimate. And *never* pay a large sum of money in advance.

### ***Fake Disaster Officials***

Some con artists pose as government officials to obtain access to your home. This is a common ploy for burglars and individuals selling expensive and unnecessary repairs. Ask for identification from officials who come to your home.

### ***Loans***

Unscrupulous individuals may tempt you with promises of so-called "guaranteed" loans. Don't bite if someone promises you a loan in exchange for a big chunk of cash up front. You probably won't get the loan or see your money again. Others represent themselves as brokers who say they can obtain FEMA funds for you. FEMA does not charge an application fee. Verify the credentials of people offering low-interest government loans to confirm they are affiliated with an official agency; call the agency directly to verify the person's employment.

### ***Charitable Donations***

Disasters often lead to a generous outpouring of support from people wanting to assist victims with money, food, and supplies. Unfortunately, many scam artists see this generosity as an opportunity to enrich their own favorite charity—themselves. Make contributions to reputable charities you are familiar with, and *never* give your credit card or bank account number to people contacting you in person or on the phone.

### ***Price Gouging***

Disasters can bring out the best in people and the worst in people. There are always those who look for any opportunity to take advantage of a situation and have no qualms about profiting off the hardship of others. Don't let yourself be taken in. It is against the law in North Carolina for a business to charge unreasonably excessive prices for essential goods or services in any county where a disaster or an abnormal market disruption has been declared.

If you have experienced any of these or other scams, or want to check up on a charity, contractor, or other business, contact my office at 1-877-5-NO-SCAM.

## HOME REPAIRS

Your home has been damaged by a disaster, and you need to fix it. Fortunately, most home improvement contractors are hard working, honest business people. Yet the Attorney General's office receives many complaints each year about shoddy workmanship, missed deadlines, cost overruns, and abandonment of jobs.

Consider these tips both before you hire a contractor and during the job:

- Photograph and/or videotape the damage to your home as soon as possible. If you plan to file an insurance claim, be sure to notify your insurer and comply with any requirements.
- Shop around for a contractor. Seek recommendations from friends, neighbors, co-workers and others who have had work performed on their homes recently.
- Obtain three written estimates for the work using the exact same specifications for each.
- Check out your builder before you sign any contracts. Ask for references and contact the Attorney General's Office and the Better Business Bureau to learn about the contractor's complaint history. Ask to see your builder's insurance policies and note the insurance company and policy numbers. Be wary of any builder who asks you to get the building permits and to arrange for city or county inspections yourself, as this may indicate that you are dealing with an unlicensed contractor. If the builder doesn't carry personal liability, workers' compensation, or property damage insurance, you may be liable.
- Insist upon a written contract detailing all the work to be performed. Make sure that it specifies the quality of materials to be used, the total price for labor and materials, any warranties or guarantees, the starting and finishing dates, and who will be responsible for clean-up and trash removal, a payment schedule, and the contractor's full name, address, phone number, and professional license number.
- Avoid paying large fees in advance of work. If a small contractor claims to need a lot of money in advance for supplies and materials, it may be a sign that he has poor credit or is in bad financial shape. For small jobs, it is best not to pay at all until the work is completed to your satisfaction.
- Follow the progress of the construction project closely and bring problems to the attention of your contractor promptly and cordially. Keep careful records throughout the project.
- Do not make a final payment until the work is completed in accordance with your contract. Thoroughly inspect the work.
- Do not sign a completion certificate until the work passes any required city or county inspection, you have proof all subcontractors have been paid in full, and you are completely satisfied with the job.

If you have any questions, please contact my office at 1-877-5-NO-SCAM.

## CAR REPAIR

If your vehicle is damaged in a disaster, take time to select a reputable repair shop to get you back on the road again. Automobile repair problems consistently rank at the top of consumer complaints that North Carolinians make to the Attorney General's Office. Many complaints involve overcharging, poor workmanship and deceptive repair practices.

Keep in mind that, after a disaster, body shops often have more work than they can handle. This means your vehicle may be in the shop much longer than under normal circumstances. Therefore, if the damage to your car is cosmetic, you may want to wait awhile to have repairs made, or you may consider taking your vehicle to a shop outside the immediate disaster area for repairs.

If your car is damaged, keep these tips in mind:

- Photograph and/or videotape the damaged vehicle as soon as possible. If you plan to file an insurance claim, be sure to notify your insurer and comply with any requirements.
- Research repair shops. Ask friends and neighbors for recommendations. Once you have narrowed your choices, contact the Better Business Bureau and the Attorney General's Office to see if the companies you are considering have complaints on file and, if so, what they were about and how they were resolved.
- For any vehicle repair with a cost to the consumer of more than \$350, the shop is required to give you an estimate and get your authorization before proceeding with the repair. They cannot exceed the amount you authorized by more than 10% without notifying you of the additional cost and requesting authorization to proceed. They are required to notify you in advance if there will be a charge for the estimate. (Note: In some cases where an insurance company is paying for the repair, these requirements may not apply.)
- If you believe the mechanic has recommended unnecessary work or you are dissatisfied with the estimate, get a second opinion. A second opinion is an especially good idea when your car needs major repairs.
- If the mechanic recommends replacing certain parts, you have the right to ask that the removed parts be returned to you or be made available for your inspection. (Note: This request must be made at the time you authorize the repair.)

If you have any questions about car repairs, please contact my office at 1-877-5-NO-SCAM.

## PRICE GOUGING

In times of disaster, certain supplies experience high demand. North Carolina has a law to protect consumers from price gougers who take advantage of disasters to overcharge consumers. The law applies in areas where a state of disaster or emergency has been declared or the governor has found an abnormal market disruption.

In general, this law makes it unlawful for a business or individual to charge prices that are unreasonably excessive for essential goods or services during the conditions listed above. The Attorney General is authorized by statute to investigate complaints of price gouging.

Consider these tips to avoid price gougers:

- Prepare ahead of time. Have necessary supplies on hand before the disaster strikes. Stock up on water, nonperishable food, batteries, fuel, medications, and other essentials. Have a full tank of gas in your car.
- If you believe the price of a product or service sounds too high, ask for an explanation.
- Shop around. If a seller is charging a price you think is unfair, spend your money elsewhere or ask yourself if you can do without or delay the purchase.

To report suspected price gouging to the Attorney General's Consumer Protection Division have the following information available (see the Price Gouging Complaint form):

- The name and address of the retail establishment or provider of the product or service.
- A description of the product or service, including manufacturer and model number where applicable.
- The current asking price
- The normal, not sale, price of the item at the same establishment prior to the disaster declaration or abnormal market disruption, if you know it.
- Any explanation you are given by the seller regarding the increased price.

If you have any questions about price gouging, please contact my office at 1-877-5-NO-SCAM.

## LANDLORD - TENANT ISSUES

What happens if you are a renter and your residence is destroyed or damaged by a disaster? What are your rights? What happens if you have a dispute with your landlord?

- Under North Carolina landlord tenant law, the destruction of residential rental property usually ends all lease obligations for both the landlord and the tenant. The landlord cannot collect or keep rent for the period after the premises were destroyed, nor can the landlord keep the security deposit because of the destruction of the property.
- If residential rental units are not destroyed, but are nevertheless made dangerous or unlivable by the damage, the lease obligations of the landlord and tenant cease. Such would be the case if the heating systems were destroyed during the winter, or if several windows or portions of exterior walls were missing, or if structural damage would make continued occupancy of the premises risky.
- Damage that does not render the premises uninhabitable must be repaired within a reasonable time by the landlord. You should give the landlord a *written* statement of the specific repairs needed and keep a copy. Dangerous problems and problems that make the premises in violation of the building code must be repaired first. Cosmetic repairs, such as re-painting or replacement of window coverings, may be performed after the more important repairs.
- Don't withhold rent payments to convince your landlord to make repairs. Instead, talk to your landlord about a suitable reduction in your rent. For example, the landlord may agree to reduce your rent for a month during which you could not use one room because of a leaky roof.
- If the landlord fails to fix something that puts your safety at risk or violates local codes, report it to authorities. Local building, health, fire and safety inspectors can take action to ensure compliance with the codes.
- If you and your landlord are not able to resolve your disputes, you may want to file a complaint with the Attorney General's Consumer Protection Division, file an action in Small Claims court, or seek assistance from a Legal Aid office or a private attorney.

If you have questions about your rights as a tenant, please contact my office at 1-877-5-NO-SCAM.

## CHARITABLE SOLICITATIONS

In times of crisis, we want to reach out and help those in need through charitable donations. Unfortunately, there are some unscrupulous individuals who will solicit donations for fake or existing charities and pocket the money.

While most charities are honest and put their charitable dollars to good use, there also are many so-called charitable organizations that spend the majority of donations they receive on salaries and administrative costs and little, if any, on those in need. Also, many charitable organizations hire professional fundraisers to solicit money, and the fundraisers, not the charities, keep most of your donation. Sometimes as much as 90 cents of every dollar you give goes to the fundraiser, not the charity.

Here are some tips to consider before you make a charitable donation:

- Be wary of telephone solicitors. Give money to organizations you know, and beware of callers who will not identify themselves.
- Ask for the charity to send you information in the mail so you can review it before giving.
- Ask how your contribution will be spent and whether the solicitation is being made by a professional fundraiser rather than the charity. Ask how much will be used for administrative costs or fundraising fees and how much on a charitable program.
- Watch out for hard-sell solicitations, and be careful about inviting door-to-door solicitors into your home. Legitimate charities will give you time to decide whether and how much to donate.
- Watch out for the names of charities that closely resemble the names of other organizations. If you are unfamiliar with a charity, research it.
- Be wary of out-of-state organizations that you are not familiar with and whose address is a post office box.
- Don't give your credit card number or checking account number to a solicitor.

To check on charities, contact my office at 1-877-5-NO-SCAM or the Charitable Solicitation Licensing Section of the Secretary of State's office at 1-888-830-4989.

## FLOOD-RELATED ISSUES

### *Flood Insurance*

If you have flood insurance, immediately report the damage to your insurance company or agent who wrote the policy. A claims adjuster will be assigned to the loss. Make sure the adjuster working on your claim is properly registered in North Carolina by calling the Department of Insurance at 1-800-546-5664. Once the adjuster gives you an estimate, make sure that the amount is enough to fix your home. Do not accept an estimate that will not get the job done. You must file your proof of loss – your valuation of claimed damages – with your insurance company or the National Flood Insurance Program (NFIP) within 60 days of the loss. If you have complaints about your adjuster or insurance company, contact the NFIP by phone at 1-888-379-9531 or visit their website, [www.floodsmart.gov](http://www.floodsmart.gov).

In addition to flood insurance, floods raise a number of other issues important to consumers, including putting you at risk for a variety of scams, including the following:

### *Basement Waterproofing*

Beware of claims that your basement must be waterproofed. If possible, let the basement dry out and wait until the next heavy rain to see if there is a problem. Before agreeing to any work, ask for a written description of the problem, what will be used to repair it, and how much it will cost.

### *Pest Control*

As flood waters recede, you may be faced with a pest control problem. Stagnant water and acres of debris and waste are breeding grounds for bugs and pests. Along with mosquitoes, termites, and the like come unscrupulous operators who turn out to be a different kind of pest. They will offer a free inspection and use scare tactics, showing you damaged wood or bugs that may not come from your property. Before signing any contracts, get a second opinion and check the company's references. Pest control companies must be licensed by the North Carolina Department of Agriculture. You can call the Department at 919-733-6100 and ask for a license number.

### *Water Treatment Devices*

Beware of unscrupulous companies selling water treatment devices. Offers to test the tap water in your home for free are almost always part of a sales ploy. If you suspect your drinking water may have been affected by flooding, contact your local health department. They will test your water for a reasonable fee.

### *Appliance Repair*

Another common scam that comes in the wake of floods involves the replacement of major appliances, including your heating and cooling units. Thoroughly dry equipment and appliances to determine whether they are still functional. Get a second opinion and solicit several estimates on the cost to repair or replace the equipment. When possible, deal with someone you know or check references. Watch out for fly-by-night repair businesses that solicit work from unmarked trucks. Anyone who contracts to install, alter, or restore heating and air conditioning systems must be licensed by the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors. Call the State Board at 919-875-3612 and confirm the license number. Also, be sure to consult with your insurance adjuster.

Please contact my office at 1 877 5-NO-SCAM if you have any questions.

## IMPORTANT PHONE NUMBERS

### Attorney General's Office

Consumer Protection (NC residents only) ..... (877) 566-7226  
Consumer Protection..... (919) 716-6000  
Spanish Speaking Callers..... (919) 716-0058

State Bureau of Investigation..... (800) 334-3000

### Better Business Bureau

Asheville (828) 253-2392  
Charlotte (704) 927-8611  
Greensboro..... (336) 852-4240  
Raleigh (Eastern NC)..... (919) 277-4222  
Norfolk, Va (Outer Banks) ..... (757) 531-1300  
Winston-Salem ..... (336) 725-8348  
Myrtle Beach, SC (Coastal NC) ..... (843) 488-2227

FEMA ..... (800) 462-9029  
Hearing Impaired ..... (800) 462-7585  
Fraud Detection ..... (866) 720-5721

Housing and Urban Development (Hotline) ..... (800) 669-9777  
Greensboro Office..... (336) 547-4001  
Flood Insurance Program..... (800) 720-1090

NC Licensing Board for General Contractors ..... (919) 571-4183

NC State Board of Examiners for Plumbing,  
Heating and Fire Sprinkler Contractors ..... (919) 875-3612

NC Board Of Examiners for Electrical Contractors ..... (919) 733-9042

NC Department of Agriculture (Structural Pest Control Division) ..... (919) 733-6100

NC Department of Insurance ..... (800) 546-5664  
Or ..... (919) 807-6750

NC Utilities Commission, Public Staff ..... (919) 733-9277  
Or ..... (866) 380-9816

NC Governor's Tornado Information Hotline (English and Spanish)..... (800) 858-0368

## IMPORTANT PHONE NUMBERS

NC Governor's Careline .....	(800) 662-7030
Internal Revenue Service .....	(800) 429-1040
Department of Transportation Customer Service .....	(877) 368-4968
Environment (DENR) .....	(877) 623-6748
Water Quality (surface & ground water) .....	(919) 807-6300
Public Water Supply .....	(919) 733-8276
Dead Animal Disposal .....	(919) 733-7601
Debris and Solid Waste Removal .....	contact county or city office
Social Security .....	(800) 772-1213
Social Services .....	contact county office
Secretary Of State Charities.....	(888) 830-4989
Travel and Tourism.....	(800) 847-4862
Dept. of Agriculture (Emergency Programs).....	(919) 807-4300