



MEMA



Joint Information Center  
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FEMA

# Disaster News

May 19, 2011

DR-1972 / DR-1983-NR-009

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## **DISASTER SURVIVORS: DON'T BE VICTIMIZED BY FRAUD**

**CLINTON, Miss.** – Mississippi residents affected by the recent tornadoes and flooding are urged to be alert for and report potential fraud during recovery and rebuilding efforts.

Those who suspect anyone – contractor, inspector, disaster survivor or someone posing as any of these – of committing fraudulent activities should call the Disaster Fraud Hotline toll-free at 866-720-5721.

Complaints can also be made to local law enforcement agencies and through the Consumer Protection Division of the Mississippi Attorney General's Office: Call the Attorney General's toll free Hotline, **800-281-4418**, or fax 601-359-4231.

“One of the best ways to protect yourself from home repair fraud is to get all your terms in writing,” said Attorney General Jim Hood, “A model contract can be downloaded at <http://www.agjimhood.com>.”

To safeguard against disaster-related fraud, officials suggest the following precautions:

**Ask for ID.** If someone represents him or herself as a federal employee, such as an inspector, but doesn't produce identification, you should ask to see the identification. Note: a FEMA shirt or jacket is not absolute proof of someone's affiliation with the government.

Inspectors sent by FEMA or verifiers from the U.S. Small Business Administration carry official, laminated photo identification. Applicants may receive a visit from more than one inspector or verifier.

**Safeguard personal information.** Do not give out your Social Security number, bank account or your FEMA registration number to individuals claiming to be affiliated with the federal government without verifying their identification and need for this information.

When you called FEMA to register, you were asked for your Social Security number. If you asked for direct deposit, you also gave a bank number. If a FEMA representative makes a follow-up call to you, he or she will ask for the last four digits of your Social Security number, verify other critical information which may include your banking information, depending on the reason for the call.

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If you have any doubts, you can shut the door or hang up and dial the FEMA Helpline at 800-621-FEMA (3362). That way, you are in charge of the call.

Homeowners, renters and businesses of all sizes with questions about the SBA disaster loan application process can call the SBA Customer Service Center at 1-800-659-2955.

**Be alert when your doorbell rings.** People going door-to-door to damaged homes or telephoning disaster survivors and claiming to be building contractors could be frauds. If visitors

or callers solicit personal information such as Social Security or bank account numbers, they are not legitimate.

**Federal workers do not solicit or accept money.** Remember, FEMA and SBA staff members never charge applicants for disaster assistance, inspections, or for help in filling out applications. If in doubt, do not give out information. You should report people claiming to be government workers to local police.

**FEMA inspectors only verify damage.** FEMA inspectors do not hire or endorse specific contractors to repair damage.

If you are hiring a contractor to do work, here are some tips:

**Use reliable, licensed contractors.** Demand to see a license. For more information about a contractor or if you are unsure about the validity of a license, check with the Better Business Bureau and your local or state contractor licensing officials.

**Get a written estimate, and be sure to read the fine print.** Always get estimates from several reputable contractors before making a decision. Always hire a local contractor if at all possible.

Get references and check them. Call former customers who had similar work done to determine if they were happy with the work done.

**Ask for proof of insurance.** Make sure your contractor carries general liability insurance, workers' compensation and is bonded. A homeowner could be liable for accidents on the property when working with an uninsured contractor.

**Get a written contract.** A complete contract should clearly state all the work to be performed, all associated costs, the payment schedule and obligate the contractor to pay for all materials ordered for the job. A contract also should contain "Buyer's right to cancel" information.

**Obtain permits.** The contract should clearly state who will obtain the necessary permits. Have a lawyer review the contract if substantial costs are involved. Keep a copy of the signed contract.

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**Get guarantees in writing.** If the contractor provides any guarantees, they should be written into the contract clearly, stating what is guaranteed, who is responsible for the guarantee and how long the guarantee is valid.

**Pay by check.** Avoid paying in advance and making payments in cash if at all possible. A reasonable down payment is 30 percent of the total cost of the project. Remember there is a federal law which requires a three-day "cooling off" period for unsolicited door-to-door sales of more than \$25.

**Make final payments only when work is completed.** Do not sign completion papers or make the final payment until the work is completed to your satisfaction. A reputable contractor will not threaten you or pressure you to sign if the job is not properly finished.

More information about making disaster-related repairs or rebuilding after a disaster is available online at [www.fema.gov/rebuild](http://www.fema.gov/rebuild).

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*FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.*

*Disaster recovery assistance is available without regard to race, color, religion, nationality, sex, age, disability, English proficiency or economic status. If you or someone you know has been discriminated against, call FEMA toll-free at 800-621-FEMA (3362). For TTY call 800-462-7585.*

*FEMA's temporary housing assistance and grants for public transportation expenses, medical and dental expenses, and funeral and burial expenses do not require individuals to apply for an SBA loan. However, applicants who receive SBA loan applications must submit them to SBA loan officers to be eligible for assistance that covers personal property, vehicle repair or replacement, and moving and storage expenses.*

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