



# Disaster Scams

Office of Attorney General, Consumer Protection Division

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During an emergency or disaster situation, local authorities broadcast information over local media outlets. After the emergency, state and local authorities use newspapers, and television and radio stations to provide vital information about public health and safety, utility work, sanitation, and other recovery efforts.

As efforts focus on recovery and rebuilding, local businesses and legitimate charities work hard to keep up with community needs. Unfortunately, some dishonest people take advantage of the situation to make a quick profit at your expense. The road to recovery from a natural disaster is hard enough without falling victim to a scam.

## Common Scams

- **Form Completion services.** Beware of people charging a fee to help you complete disaster assistance forms (such as FEMA or SBA), or obtaining assistance checks. These services are provided free through FEMA and the Red Cross.
- **Phony Inspectors.** Never let anyone in until you have verified they have the appropriate credentials. Always ask for a telephone number so you can confirm the inspector is working for an authorized agency.
- **Government Grant Offers.** Be aware of entities offering "free grant money" for flood repair or disaster relief. A true grant is free and never requires any upfront fees or repayment. Check with a regional or state economic development office to see if they know of grant programs for which you might qualify, or contact your local social service agency for information or assistance.
- **Advance Fee Loans.** Advance fee loans are illegal. Ignore any company that "guarantees" you will receive a loan. Dishonest operators will charge a processing fee, then promise they will find a lender. It is illegal to charge an up-front fee. Also, companies must be registered with the ND Department of Financial Institutions (701-328-9933) in order to lend money to ND consumers.
- **Water Testing & Purifiers.** Monitor local news media for instructions from health authorities regarding water safety and purification. Avoid offers for "free" home water testing, and be skeptical of claims that an in-home test shows your water is unsafe. If you have questions about the safety of your water, contact your local public health authority.

## Transient Merchants

If someone comes to your door offering to do home repairs, ask to see the "Transient Merchant's License." All transient merchants must be licensed and bonded by the Licensing division of the Attorney General's office. You may be able to file a claim against the bond if you have a problem with the product or service.

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**Transient Merchants (continued)**

Contact the Licensing division at 701-328-2329 or check the current State Transient Merchant License holders online at: <http://www.ag.nd.gov/Licensing/Licensing.htm> on the “License Holders” link.

Contact your local law enforcement agency immediately if the contractor cannot produce the transient merchant license.

**Right to Cancel**

North Dakota law gives you three business days to cancel the purchase of merchandise or services if the purchase amount exceeds \$25 and the transaction occurred away from a permanent place of business. If you are over 65 you have 15 business days to cancel a transaction over \$50. The contractor or seller must give you written and verbal notice of this right.

**Rebuilding**

Severe weather damage attracts door-to-door repair operators and out-of-state contractors who swarm the area. These contractors may seem attractive at first because they do not have a long waiting list, but many transient operators are scam artists looking for the next victim. Don’t make it easy for them. A reputable local company will be around later if you have problems, and that alone may be worth the wait.

It is a sure sign of fraud if the contractor:

- Is unable or unwilling to provide proof of licensing, bonding and insurance.
- Insists on full payment or a large down payment before work begins or tries to pressure you into signing a contract.
- Offers a great price because there are left-over materials from a previous job or offers a discount for finding other customers.
- Be sure to do some price comparison shopping when buying items to repair and clean up your property.

All contractors must be licensed by the Secretary of State before they perform any work. Contact the Secretary of State at 701-328-3665, or toll-free 1-800-352-0867, or check online at: <http://www.nd.gov/sos/licensing/>.

Before signing a contract, make sure the licensed contractor also has both liability insurance and Workforce Safety and Insurance coverage.

**Choosing a Contractor**

**Rebuilding after a disaster?** Find detailed information and tips about *Choosing a Contractor* online at [www.ag.nd.gov](http://www.ag.nd.gov) on the News/Publications/Forms link, or call the Consumer Protection division.

**State Agency Websites**

Department of Emergency Services: <http://www.nd.gov/des/>

North Dakota Job Service: <http://www.jobsnd.com/>

Workforce Safety & Insurance: <http://www.workforcesafety.com/>

Secretary of State: <http://www.nd.gov/sos/>

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“My staff and I are here to assist you. Please call with any questions, concerns, or suspicions about scams,” Attorney General Wayne Stenehjem.