

September 6, 2007

## **ATTORNEY GENERAL AND SECRETARY OF STATE WARN NORTHWOOD RESIDENTS OF UNLICENSED CONTRACTORS**

BISMARCK – Attorney General Wayne Stenehjem and Secretary of State Al Jaeger remind Northwood residents of the need for caution when hiring contractors to complete home and business repairs. Severe weather damage provides an opportunity for a variety of different home repair scams to surface. Door-to-door repair operators and out-of-state contractors may seem attractive at first because they usually do not have a long waiting list.

“Many transient operators are scam artists looking for the next victim. Don’t make it easy for them.” said Stenehjem. “A reputable local company will be around later if you have problems, and that alone may be worth the wait. Stenehjem continued, “If you absolutely can’t wait, be careful.”

If a contractor or door-to-door operator is not from the local area, they may be required to have a "Transient Merchant License," issued by the Attorney General's office, and also to post a bond. If there is a problem with a transient merchant’s product or service, the consumer can file a claim against the bond.

In addition, contractors doing a job for more than \$2,000 must have a contractor’s license. “For your protection, before hiring anyone make sure the contractor is properly licensed,” Jaeger said. Consumers may contact the Licensing Division at 701-328-2900 to verify a contractor’s license.

“Previous weather related disasters across the state have shown that unscrupulous, unlicensed and unqualified out of state contractors are all too eager to take advantage of unsuspecting homeowners who just want to start putting their lives back together,” said Stenehjem. “These storm chaser contractors often obtain temporary office locations in the state so that they can advertise as a North Dakota business, and then offer work guarantees that immediately become worthless when the contractor skips town after the work is completed.”

Stenehjem recommends property owners ask detailed questions to find out if a contractor is a local business or has just set up an office in North Dakota. “Ask when the company first located to North Dakota, check the phone directory for a local business listing to see if the company has previously been a local business, and don't rely on representations that the company intends to stay in North Dakota,” he suggested.

Stenehjem advises property owners to be on the look-out for signs of fraud, including:

- Someone who comes to the door and claims to have “just finished a job” helping a neighbor and can now give a great price because there are materials left over;
- Arrival in an unmarked van or truck;

- High pressure sales practices or threats such as “this price is available today only;”
- Requiring payment in full before the work is done “to get a fantastic discount”;
- Refusing to provide references, or proof of required licenses and insurance.

Additional information about disaster scams and tips for choosing a contractor can be downloaded from the Attorney General’s website at: [www.ag.nd.gov](http://www.ag.nd.gov).

For more information about transient merchant or consumer fraud issues, contact the Consumer Protection Division of the Office of Attorney General, at (701) 328-3404 or toll free at 1-800-472-2600.

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**Disaster Scams:** <http://www.ag.nd.gov/Brochures/FactSheet/DisasterScams.pdf>

**Choosing a Contractor:** <http://www.ag.nd.gov/Brochures/FactSheet/ChoosingContractor.pdf>