

Common Contractor Scams

Read this list of the most common contractor scams to protect you from contractor fraud.

Your contractor may be a scam artist if he or she:

- Doesn't provide a local address or local telephone number- do not hire someone who only supplies a cell phone number.
- Uses a P.O. Box for an address. And some fraudulent contractors give fake addresses of places that don't exist or are actually storm damaged properties. Confirm that the address they cite is legitimate by driving to their office.
- Has a company with a religious or military name like "Jesus Saves Construction," "Marine Construction," or "Honest Joe's Landscapers". These names are often a cover-up. It doesn't necessarily mean they're trustworthy - in fact, it usually means the opposite.
- Has a 'doctored' license. In one case cited by a State Contractor Licensing Board investigator, a man took a real license and forged his name on it. Always look at the contractor's license (its best to get a copy) and make note of the license number. Make sure that the contractor is the owner of that license and that he is registered in your parish by confirming with the State Contractor Licensing Board.
- Has only an occupational license. An occupational license is required for all business owners for the purpose of paying taxes. Make sure your contractor has a State Residential Building License if the job is more than \$7500.
- Solicits door-to-door. Legitimate (and busy) contractors do not have time to solicit door-to-door.
- Just happens to have left-over materials from previous jobs.
- Will give you a discount for recommending other customers.
- Demands that you pay in cash or for the job upfront. Never pay in cash. Make sure you pay with a check or credit card which can serve as a record of payment.
- Takes more for a down payment than is reasonable, claiming to need instant cash for supplies and to pay workers. A down payment shouldn't exceed 10% or \$1,000, whichever is less, or reasonable to the size of the project.
- Tries to pressure you into signing a contract you haven't read or that has blank spaces.
- Asks you to get the construction permits. It's the contractor's responsibility to file for building permits.
- Asks you to use your home as security for a home improvement loan or borrow money from a lender the contractor knows. If you do not pay the loan or miss a payment, the lender can take your home and sell it.
- Uses high pressure sales tactics to scare and intimidate you into making an immediate decision about work. Get a competitive bid, check license and registration and get references from customers you can call to discuss their work with.
- Claims that your job will be a "demonstration."
- Offers to perform a free inspection then claims that faulty wiring, bad plumbing, or a leaky roof is putting the homeowner in danger in an attempt to scare the homeowner into agreeing to unnecessary, over-priced work. Always get at least three bids/inspections.
- States that a written contract is unnecessary, promising to deliver on the verbal agreement. The shady contractor then takes advantage of the situation to perform shoddy work or none at all.