



COMMUNITY CONNECT

Tips to Avoid Contractor Fraud



**United Way
of Bucks County**



Bucks County



Speakers



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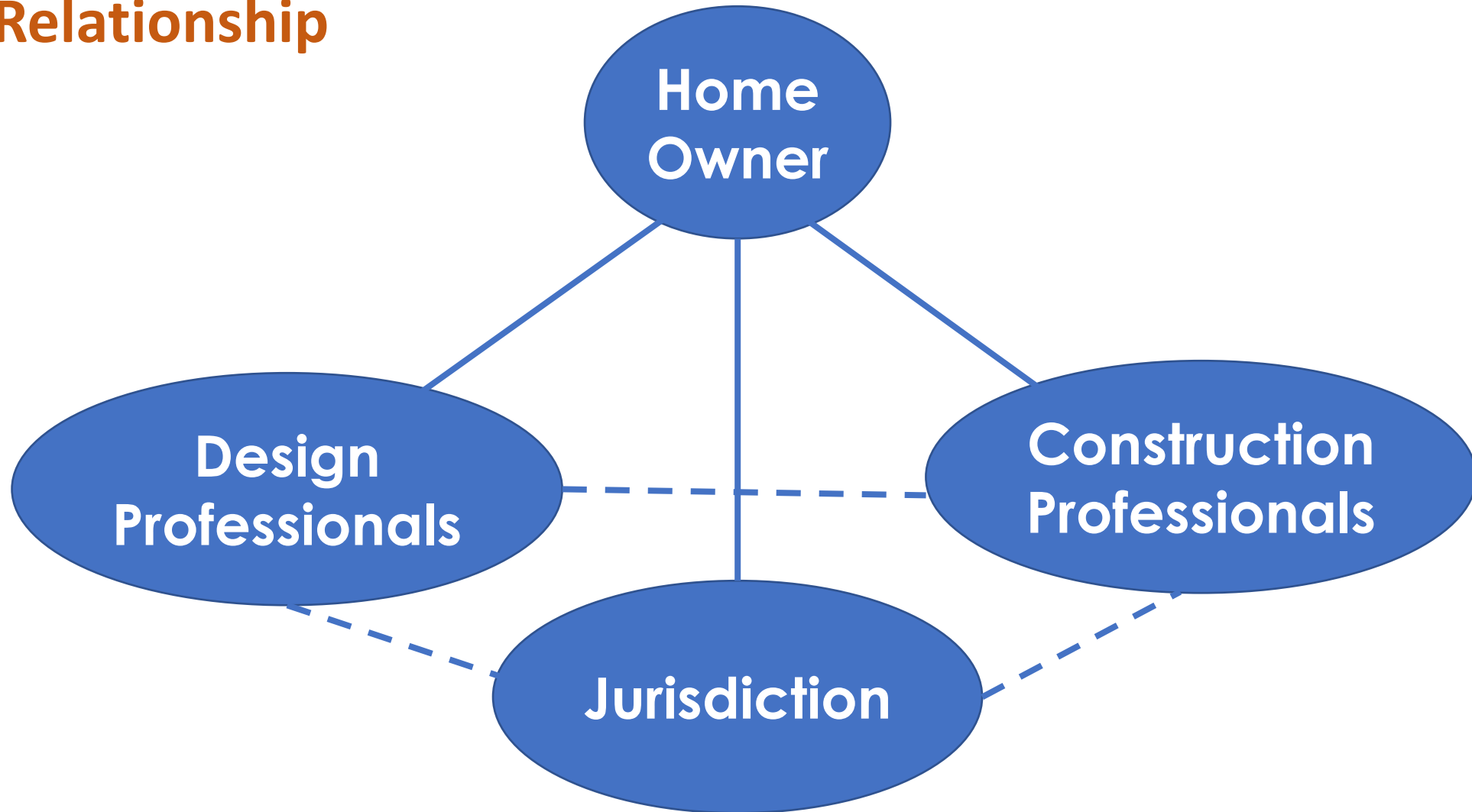
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The Relationship



The Relationship



Begin on the right track

CHECK THEM OUT !!!

Visit the website at Pennsylvania Labor and Industry:
<https://www.dli.pa.gov/Pages/default.aspx> to be sure your contractor is licensed and in good standing. Check to see if the contractor has any complaints against them. Or call 717-787-5279.

- Plumber and Electrician Complaints.
- Plumbers and Electricians that operate in Bucks County, are licensed by the County, and by certain municipalities. For more information, please contact your city, town or village directly.
- General Contractors and Home Improvement Contractors are also licensed by the County and certain municipalities.

Look for the "right" contractor

You wouldn't want a podiatrist examining your teeth for a cavity, would you?

- Get Recommendations on Contractors from friends and neighbors. If you must find one through an ad or a local supplier of building materials, get names of satisfied customers.
- In all cases, go and look at the work [or get decent photographs].
- Ask if the job was started on time and finished on time.
- Ask if complaints were rectified and if they got the job they expected at close to the estimated price.
- Get Several Estimates. Give each contractor a precise description of what you want done so the estimates cover the same work. A sketch or picture helps. Get detailed estimates specifying quality of materials, warranties for labor and materials, work and payment schedules. APPLES TO APPLES!
- **GET HELP REVIEWING QUOTES**

Questions to ask your professional

Experience

- What is your communication philosophy?
- What sets your firm apart from other contractors with similar experience?
- Do you have experience with the building type and size of my project?

Questions to ask your professional

My Project

- Are you interested enough in this project to make it a priority?
- What challenges do you foresee for my project?
- What is your estimated timetable for my project?
- What criteria will be used to establish priorities and make decisions?
- What do you expect me to provide?
- How disruptive will construction be?
- What role do I have during construction? Who is my point of contact with you and the your team?
 - What are your insurance limits and can you provide me with a Certificate of Insurance?
 - Please provide me with 2 good, and 1 not-so-good Client references.

Questions to ask your professional

During Construction

- What is your relationship with the Town?
- How do you handle changes to the scope of work?
 - When will you bill me and for what?
 - There will be design professionals on site, how have you worked with them in the past?
 - Will you be self-performing any work?
 - What will you sub-contract out?
 - What will happen if the Town asks for something that isn't on the drawings or in the Code?

Know when to Run!!!

- Fly by nights that "happen to be in the neighborhood." They do shoddy work, take your money and run.
- Ads offering bargain packages. The necessary extras, better quality or larger sizes become costly.
- Salesmen who offer rebates for referring others or using your home as a model.
SALESPEOPLE MUST BE LICENSED.
- Salesmen who pressure you to order now before the price goes up or the roof falls in.
- Unlicensed contractors. You have little recourse.
- If it looks too good to be true it probably is!!!

No Bargains out there!

SHOW ME YOUR LICENSE !!!

- DEAL ONLY WITH A LICENSED CONTRACTOR.
- An unlicensed contractor may not have liability insurance and his business practices may be questionable. The license also protects you against "fly-by-nights" who take your money and disappear.
- If you incur a problem while dealing with a licensed contractor, the Office of Consumer Affairs MAY mediate the dispute on your behalf. In some cases, you MAY be entitled to compensation. Consumers must FIRST file a complaint with the Office of Consumer Affairs prior to legal action.

NO License ???


- It is *illegal* to operate a home improvement business in Pennsylvania Counties without a license. Call your County's Office of Consumer Affairs or Labor and Industries to find out if a contractor is licensed and to check the firm's complaint history.


DON'T BE STUPID!!!

- **Obtain info from:**
 - Consumer Affairs
 - L & I information
 - BBB information




Consumer Complaint Form

Search Attorneygeneral.gov



PENNSYLVANIA ATTORNEY GENERAL
MICHELLE A. HENRY



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[Home](#) > [Submit a Complaint](#) > Consumer Complaint

Consumer Complaint

Due to the volume of complaints against Ticketmaster, please be patient while our office processes requests and contacts you directly.

[forma española >](#)

Fields marked with (*) are required.

- Please check if you or an immediate family member is a member of the military or a veteran.
- Please check if you are age 60 or older.
- Si necesita asistencia en español, por favor marque la casilla.

Your Information

 [Print complaint form and send by mail](#)

 [Mediation FAQs](#)

All documents related to consumer complaints should be sent to the following address:

Office of Attorney General
Bureau of Consumer Protection
15th Floor, Strawberry Square
Harrisburg, PA 17120

Bank Accounts

- Open a NEW checking account.
- Deposit all checks for recovery into this account.
- Be sure to have checks that provide a space for a MEMO.
- Many checks come with tissue copies.
- Sign up for Online Access so you can monitor your account in real time.
- **ONLY WRITE CHECKS FROM THIS ACCOUNT. NEVER TAKE OUT CASH WITH DEBIT CARD OR WIRE TRANSFER FUNDS! All payments in writing by CHECK!**

Budget Control

- Be sure to work with your Architect (Project Manager) to set payment benchmarks that are measurable. 1st Deposit, Payments along the way, and then the final payment. (Hold final payments until permit work is completed and inspected for approval).
- **NO** Check gets cut without a written invoice from a vendor that has specific language as to what you are being invoiced for. Always check with your Architect (Project Manager) to be sure that the invoice is correct and worthy of payment. Get them to initial “approved for payment”.
- Always pay by check and put the invoice number in the check Memo space. If you do not have tissue copies of the checks, make a real photocopy of the check. Attach the check copy to the invoice and file it in your project VENDOR’s file.

Budget Control

- Keep a running total of how much you paid out and how much you still have. Microsoft EXCEL is perfect for this.
- Along the way you may request additional funds for your project through your design professional. Each time you receive additional money, you add the funds to your balance, make the entry in the budget schedule and keep going.
- Never allow a contractor or design professional to bully you for money. You are not funding their business! You are paying for their services!!!
- If you feel something is wrong, follow your instincts! Have legal counsel available along the way!
- Always contact Consumer Affairs to be sure your contractors are LICENSED!
- Look for FREE checking accounts! Free ONLINE access.

Budget Control

- A typical contract should have milestone payments, including a modest deposit to launch the project.

Depending on the scope of work:

- 15-25% for a deposit
- 10-25% milestone payments
- 10% final payment at the end of the project
- 10% closeout payment – usually 30 days after completion

The Professionals

Negotiating

- Much of negotiations is about chemistry **and** how well all parties communicate.
- Word of mouth is still king! Ask a neighbor, friend, relative.
- Speak to references, *both* good and bad. One never knows why a relationship goes South. It could be the designer's, the contractor's, or it could be the Client's issue.

The Professionals – Architects and Engineers

What we don't do / Who we are not

- Blueprints
- Builders
- Press a button and out comes a building



What we do / Who we are

- Creative thinkers who solve our client's spatial problem(s) using design.
- Use of art, science, and technology
- Team leaders
- Team collaborators
- Educators
- General practitioners and Specialists
- **We are a client's advocate**

Be honest and candid, remember, we are here to help!

- [The Value of an Architect - AIA.org](http://www.aia.org)

The Professionals – Contractors

What we don't do / Who we are not

- Blueprints
- Design and Engineering
- Press a button and out comes a building



What we do / Who we are

- Skilled craftsmen/women with the ability to attach dissimilar materials together.
- Team leaders
- Team collaborators
- General practitioners (general contractors) and Specialists (sub-contractors)

Be honest and candid, remember, we are here to help!

- www.nahb.org

The Building Codes and Permits

Building Codes are frequently changed in a **significant** manner after a major disaster.

- Fire
 - Flood
 - Wind
 - Tornado
 - Earthquake
-
- Usually relating to catastrophic loss of life, property or **both**.

The Design and Construction Process

- **OF NOTE:** Codes and regulations are the LAWS that design and construction professionals use and must abide by when designing and constructing a building.
- The written word rules!
- *Repair, Reconstruction, Elevation, Mitigation must adhere to the current PA State Building Code if it is over a certain dollar value or scope of work or both.*

Speakers



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Home Improvement Contractors

The Home Improvement Consumer Protection Act (HICPA) is designed to ensure that consumers receive a fair deal from a contractor. This law requires all home improvement contractors, with limited exceptions, to register with the Office of the Attorney General.

- Contracts for home improvements are MANDATORY under this law and must be signed by the consumer and contractor before the work begins. The contract must state:
 - The exact work to be done.
 - A starting and an approximate completion date for the project.
 - The total cost of the project.

Home Improvement Contractors

In addition, the contract must also contain these basic requirements:

- Be legible, in writing, and include the registration number of the contractor.
- Be signed by the owner of the home, agent or other permitted person and the contractor or a salesperson.
- Constitute the entire agreement.
- Contain the date of the transaction.
- List contact information of the contractor.
- Include the amount of any down payment plus, listed separately, any amount advanced for special-order materials.
- Verify that the contractor has at least the minimum insurance coverage of \$50,000.00 for property damage and \$50,000.00 for personal injury, mandated under HICPA.

Home Improvement Contractors

What are my rights?

- A home improvement contractor must provide you with a copy of the complete contract free of charge.
- You have the right to rescind your home improvement contract without penalty within **three business days of the signing date**, except as provided under law for emergency situations or if you sign a waiver to the contrary.
- A contractor may not demand or receive any payment for a home improvement before the home improvement contract is signed.
- HICPA only permits contractors to request or accept one-third deposit, plus the cost of "special order materials".

Home Improvement Contractors

Where can I find my contractor's registration number?

- All contractors must display their official registration number on all contracts, estimates, proposals, and advertisements distributed within the commonwealth.
- To verify a contractor's registration number, call toll free **1-888-520-6680** or visit: <http://hicsearch.attorneygeneral.gov>

Home Improvement Contractors

Scan the QR code below to navigate directly to the Bucks County Consumer Protection tips and brochures page. Once there you can click on "Hiring a Home Improvement Contractor" to review tips on hiring and red flags to avoid.

- You can also call or e-mail our office to request a booklet be mailed to you. E-mail: consumerprotection@buckscounty.org
- Phone: 215-348-6060
- www.BucksCounty.gov/ConsumerProtection



Network of Victim Assistance (NOVA Bucks)

What is Contractor fraud?

Contract fraud occurs when one party intentionally misrepresents or conceals information during the negotiation or performance of a contract. Contract fraud can include false advertising, misrepresenting a product or service's quality or characteristics, and breaching the contract's terms.

Red Flags of Contractor Fraud

- Upfront Payments
- Inferior or Removed Materials
- Misleading Contracts
- Improper or No Permits
- Endless Work



Network of Victim Assistance (NOVA Bucks)

What to do if you are a victim of contractor fraud?

DO NOT CONFRONT THESE INDIVIDUALS BY YOURSELF. CONTACT THE AUTHORITIES!

Contact your local social services agencies for assistance and support:

- NOVA – 24/7 Helpline – 1-800-675-6900
- AAA (Area Agency on Aging) – 267-880-5700
- Bucks County Consumer Protection – 215-348-6060
- SeniorLAW Center – 1-877-727-7529

*By reporting fraud, you can help prevent others from falling victim to similar scams.



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