

Avoiding Scams During Disaster Recovery

Scammers often target people during disaster recovery. Common disaster scams include shoddy construction and phony deed transfers. The best way to protect against scams is to take your time and ask questions.

Legal Protections for Home Repair and Rebuilding

California law has special protections for rebuilding homes that were damaged or destroyed by a natural disaster. Some of these protections include:

- Contractors performing work valued at \$500 or more must be licensed by the state of California. **You can check any contractor’s license and credentials with the Contractors State License Board by calling 1-800-321-2752 or visiting www.cslb.ca.gov.**
- Contractors cannot ask for a down payment of more than \$1,000 or 10% of the total project price (whichever is less). The down payment and any progress payments cannot add up to more than the total value of the work completed.
- Contractors cannot accept money for work they have not done yet or for materials they have not yet delivered.
- Any changes to your contract, or “change orders,” must be in writing and signed by both you and the contractor. If you are using an escrow account, let your financial institution know about any change to the price of the project.
- After a disaster, you can typically cancel a contract without penalty within 7 days of signing it. Any money you have already paid should be refunded to you. To cancel your contract, contact the contractor in writing. The contractor must refund you within 10 days of receiving your cancellation request. If the contractor refuses to refund you, you can sue them in small claims court. If your contract involves financing and gives the contractor a security interest in your home (puts up your home as a payment guarantee), you may only have 3 business days to cancel.
- A contract with a contractor who contacts you directly (by phone or door-to-door) is **invalid** if:
 - You signed it at your home or outside the contractor’s usual business location
 - You signed it less than 7 business days after your home was damaged by the disaster.

Tips to Avoid Scams After a Disaster

1. **Be careful who you share personal information with, and avoid rushing into decisions.** Don't trust lawyers or public adjusters who approach you at evacuation centers or hotels. Instead, research online for reliable help. Government agencies do not charge a fee to apply for assistance. Real FEMA agents always carry an official ID. FEMA and the SBA do not text. If you're unsure whether you're speaking with a real FEMA agent, you can call the FEMA Helpline at 1-800-621-3362 to confirm. To check if you're speaking with a real Red Cross employee, you can call 1-800-RED-CROSS (1-800-733-2767).
2. **Do not give out insurance details to contractors you don't have a contract with.** Don't provide details of your insurance, like the policy number or coverage details, to anyone unless you have signed a contract with them.
3. **Be careful of door-to-door offers and aggressive marketing for construction or assistance.** After a disaster, reputable home repair contractors may be slow in performing because of the large amount of other work and shortages in building materials. Be wary of "storm chasers" that show up after a disaster and go door-to-door, create flyers, or otherwise aggressively market their services, often with professional-looking business websites or Facebook pages with phony customer reviews. These scammers often take payments in advance, do little or no work, ask for additional payments, and then disappear.
4. **Hire a licensed contractor.** Anyone who provides home improvement work worth \$500 or more has to be licensed as a contractor. The Contractors State License Board (CSLB) has a database where you can look up a contractor by license number, business name, or Home Improvement Salesperson Registration number. Visit www.cslb.ca.gov or call 1-800-321-2752 to check if your contractor is licensed and bonded and has insurance and workers' compensation.
5. **Don't pay in advance for the whole project.** A down payment should never be more than 10% of the total project price or \$1,000 (whichever is less). Most reputable contractors will collect progress payments over the course of the work. The down payment and these progress payments cannot add up to more than the total value of work completed.
6. **If you change your mind about a contract, you likely have a short window to cancel.** For many contracts, you have the right to cancel and receive a refund within 7 days of signing. Unsolicited contracts signed less than a week after a disaster may be automatically void. If you have buyer's remorse or are worried about a scam, act quickly to figure out your right to get out of the contract.

Report Scams

- **To report a possible scam:**
 - California Attorney General: www.oag.ca.gov
 - Contractors State License Board: In Southern California, call 562-345-7600
- **To file a complaint against a contractor:**
 - Contractors State License Board:
www.cslb.ca.gov/Consumers/Filing_A_Complaint or 1-800-962-1125

More Information

Scan the QR codes with your smartphone camera to view the resources online.

[Disaster Help Center - Hiring a Contractor](#)

(Contractors State License Board)



[Disaster Help Center - Other Services & Resources](#)

(California Department of Consumer Affairs)



[Fast Facts: Rebuilding After a Disaster](#)

(Contractors State License Board)



[Fast Facts: Debris Removal & Construction Scams](#)

(Contractors State License Board)



[How To Avoid Scams After Weather Emergencies and Natural Disasters](#)

(Federal Trade Commission)

