

# TIPS FOR EMERGENCIES

## How to Avoid Disaster-Related Scams

### Disasters often attract con artists and frauds.

Fly-by-night unregistered home improvement contractors may take your money and disappear, leaving unfinished work and unsafe homes. Fraudulent charities capitalize on compassion, and divert money from worthy causes.

Protect yourself with the following tips. Call the New Jersey Division of Consumer Affairs at 800-242-5846 to file a complaint or to ask questions about contractors, charities or price gouging.

## Price Gouging

### N.J.'s Price Gouging Law:

- ✓ The law (N.J.S.A. 56:8-107 *et seq.*) establishes that during a State of Emergency (or 30 days after it has been lifted) excessive price increases are illegal. Call the Division of Consumer Affairs if you suspect price gouging
- ✓ Makes it clear that an “excessive” price increase is any increase in price that is 10 percent higher than the price charged before the State of Emergency.
- ✓ Establishes that prices *may* rise higher if they reflect additional costs to the seller, but that the higher price may *not* exceed 10 percent of the markup from cost compared with the price prior to the State of Emergency.

## Charity Scams

### Investigate Before You Donate.

- ✓ Call the Division of Consumer Affairs to find out whether the charity is registered to solicit in New Jersey, or is exempt.
- ✓ Learn exactly how the charity plans to use your money. Learn how much it has spent on actual programs, fundraising and management costs. Call the Division of Consumer Affairs to verify this information.

## Home Repair Scams

### Before Hiring a Contractor:

- ✓ Call the Division of Consumer Affairs to learn whether the contractor is registered, and whether the contractor has been the subject of any consumer complaints.
- ✓ Demand a copy of the contractor’s liability insurance policy. Call the insurer to make sure the policy is still valid.
- ✓ Demand a written contract. Don’t sign or pay for anything unless you understand and agree to all of the terms and conditions, including the fine print. Be sure to carefully review the list of materials that will be used.
- ✓ Never pay the full price up-front.
- ✓ Demand ID from anyone who claims to be from a utility company and wishes to inspect your home.
- ✓ Never give your credit card number to strangers over the phone or Internet.



[www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov)  
800-242-5846

# Hiring Home Improvement Contractors

consumer *brief*

## HOMEOWNER PROTECTIONS

Each year, the New Jersey Division of Consumer Affairs receives thousands of complaints from consumers who hire contractors to do costly repair projects and who are less than satisfied with the results. Consumers complain about shoddy workmanship, missed deadlines, and a contractor's failure to complete the work or to start the project at all after taking a deposit.

The New Jersey Consumer Fraud Act is designed to protect you from misrepresentation, fraud and deception in consumer transactions, including contracts for home improvement work. In addition, the Contractors' Registration Act requires home improvement contractors to register with the State.

Home improvement contractors had to initially register with the Division of Consumer Affairs by December 31, 2005, and must register annually thereafter, unless specifically exempted.

Home improvement contractors who are not registered with Consumer Affairs will not be issued municipal construction permits and will not be permitted to perform home improvement work in New Jersey. More information about the law may be found on the Division's Web site at: [www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov). **Note: Registration with the State does not constitute an endorsement of or approval for the home improvement contractor.**

## WHO IS A HOME IMPROVEMENT CONTRACTOR?

Home improvement contractors are individuals and companies involved in repairing, renovating, modernizing, installing, replacing, improving, restoring, painting, constructing, remodeling, moving, or demolishing residential or noncommercial properties.

Home improvement contractors include those who work on residential driveways, sidewalks, swimming pools, terraces, patios, additions, landscaping, fences, porches, windows, doors, cabinets, kitchens, bathrooms, garages,

finished basements, basement waterproofing, fire protection devices, security protection devices, central heating and air conditioning equipment, water softeners, heaters and purifiers, solar heating or water systems, insulation installation, roofing and siding, wall-to-wall carpeting or attached or inlaid floor coverings, and more.

## TIPS FOR CONSUMERS

- **Contact Consumer Affairs** to see if consumers have filed any complaints against the contractor and to ensure the contractor is registered.
- **Get written estimates from at least three contractors.** Ask the contractors how long they have been in business, if they have liability insurance (as required by law), and whether they will be using subcontractors on the project.
- **Contact the references your contractor gives you.** Ask them whether the job was completed on time, whether there were any unexpected costs, whether the workers showed up on time and cleaned up when they finished, and whether they would use the contractor again.
- **Ask your contractor about his or her professional affiliations** and confirm the information with those organizations.
- **Investigate financing options for your project.** Shop for credit and be sure you understand the annual percentage rate you will have to pay.
- **Do not pay for the entire job up front.** The customary arrangement is one-third in advance, one-third halfway through the job and one-third upon completion. Do not pay with cash.

## KNOW THE LAW

Obtain a written contract. Contracts for home improvement projects costing \$500 or more must be written and must include the legal name and business address

800-242-5846 • [www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov)

Office of the Attorney General



New Jersey Division of  
**Consumer  
Affairs**

of the contractor as well as a start date, a completion date, a description of the work to be done, and the total price. The contract must also include the contractor's registration number. The contractor must also provide you with a copy of his commercial general liability insurance and the telephone number of the insurance certificate.

Make sure all warranties and guarantees are in writing, and that the contract states name brands or quality/grades of materials to be used.

Before you sign a contract, ask for a lien waiver. A lien waiver is a receipt that states that the workers and material suppliers will not ask you for money once you have paid the contractor. Beware if a contractor asks you to sign a statement that says you will cover the costs of materials and labor if the contractor does not pay.

Signed contracts may be canceled by a consumer for any reason before midnight of the third business day after you receive a copy of the contract. Put the cancellation in writing and either personally deliver it to the contractor or send it registered or certified mail, return receipt requested. A photocopy of your cancellation should also be sent via regular first-class mail.

Ensure that all applicable construction permits are obtained from the local municipality. If you are applying for the permit yourself, provide the contractor's name and license in the permit application. Do not say that you are performing the work yourself if you are in fact using a contractor as you may be forfeiting the protections afforded by law.

If an electrician or plumber is doing the work, the municipal permit must be signed and sealed by the New Jersey licensed electrical contractor or licensed master plumber.

If the homeowner has hired an architect to draw up plans, the licensed architect must sign off on them. Determine from the municipality what inspections are needed and when they must be performed.

Final inspections must be completed BEFORE final payment is made to the contractor. For information on inspections, see the notice printed in large type on the back of the construction permit.

## WARNING SIGNS

If you hire a contractor, make sure you get the registration number, name, street address, phone number, license plate number and vehicle description. If a problem does occur, this information will be helpful to law enforcement agencies. Look for red flags. Be wary if the contractor:

- asks for more than a third of the total payment before work can begin.
- demands cash.

- tells you there is no need for a written contract. (Written contracts are required for projects costing \$500 or more. We recommend you get a written contract for all projects.)
- only has a P.O. Box as his/her business address.
- does not have a Division of Consumer Affairs registration number, unless he/she is exempt from registration requirements.
- approaches you (when you haven't sought him/her out) claiming he/she was just in the neighborhood and can give you a good deal.

## HOME REPAIR COMPLAINTS

If you have a problem with your home improvement project, first give the contractor an opportunity to resolve the matter directly. If you are not satisfied with the results, you may:

- File a complaint online with Consumer Affairs at: [www.NJConsumerAffairs.gov/ocp/ocpform.htm](http://www.NJConsumerAffairs.gov/ocp/ocpform.htm) .
- Call Consumer Affairs at **1-800-242-5846** to request that a complaint form be mailed to you.
- Call your county or municipal consumer affairs office for a complaint form.

## HIRING OTHER LICENSED PROFESSIONALS

Persons or companies licensed by the State, such as plumbers, electrical contractors and architects, are not required to register as home improvement contractors if they are acting within the scope of their profession. Before hiring any of the professionals listed below, check the Licensee Search link on the Division's Web site or call the appropriate licensing board to determine that the person doing the work is licensed to do so and that his/her license is active and in good standing.

## LICENSING BOARDS

<b>Architects</b>	<b>973-504-6385</b>
<b>Burglar Alarm Installers</b>	<b>973-504-6245</b>
<b>Electrical Contractors</b>	<b>973-504-6410</b>
<b>Engineers</b>	<b>973-504-6460</b>
<b>Fire Alarm Installers</b>	<b>973-504-6245</b>
<b>Land Surveyors</b>	<b>973-504-6460</b>
<b>Landscape Architects</b>	<b>973-504-6385</b>
<b>Locksmiths</b>	<b>973-504-6245</b>
<b>Plumbers</b>	<b>973-504-6420</b>

## DIVISION OF CONSUMER AFFAIRS

973-504-6200 ■ 800-242-5846 (toll free within New Jersey)

website: [www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov)

# Charitable Giving by N.J. Consumers

consumer**brief**

Americans gave more than \$306.4 billion to charities in 2007. With over 1.5 million charities to select from throughout the country, sometimes the choices can be overwhelming. New Jersey residents generously donate their time and money to thousands of deserving charitable organizations.

The majority of charities are reputable and do their best to use your contribution for worthwhile charitable activities. Some, however, are unscrupulous organizations posing as charities. These “fake charities” use various fund-raising approaches including door-to-door solicitation, canisters, direct mail, radio and television pleas, telemarketing and the Internet.

## WHEN YOU DECIDE TO CONTRIBUTE, BEWARE OF:

- High pressure phone calls urging you to donate immediately.
- Phone calls that tell you that you have won a large amount of money or other valuable prizes from a “charity.”
- Callers who say that a messenger or delivery service will come to your home to pick up your contribution.
- Solicitors who claim you gave in the past, when you have no recollection of the past contribution.

## THINGS YOU SHOULD KNOW

- **Know Your Charity**  
Never give to a charity you know nothing about. Ask for literature and read it. Ask questions. Honest charities encourage you to do so.

- **Don't Be Fooled by a Convincing Name**  
A dishonest charity will often have an impressive name or one that closely resembles the name of a respected, legitimate concern.

- **Demand Identification**  
Always ask to see identification for both the solicitor and the charity. Be suspicious of anyone who can't respond satisfactorily. All solicitors must disclose whether they are a volunteer or a paid solicitor. If they do not tell you, you may report the organization to the Charities Registration Section of the New Jersey Division of Consumer Affairs at 973-504-6215.

- **Beware of Telephone Solicitations**  
Refuse to commit yourself on the first call. If the charity sounds worthwhile, ask to be sent written information.

- **Don't Fall for the Tearjerker**  
Don't give simply because of a pathetic “sob story.” The hard luck tale is a favorite of fraudulent operators.



800-242-5846 • [www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov)

Office of the Attorney General



New Jersey Division of  
**Consumer  
Affairs**

### ■ Don't Succumb to Pressure

Don't let yourself be pressured into giving, and don't feel you have to contribute on the spot. No legitimate organization will expect you to contribute immediately, even if you have given in the past.

### ■ Check Out Mail Solicitations

Mail solicitations are often accompanied by a trinket or other item which you are told you can keep if you contribute. Federal law says that unless you asked for the item, you may keep it without making a contribution.

### ■ Ask About Professional Fund-Raisers

Charities sometimes hire professional fund-raisers. These fund-raisers may keep as much as 90% of the money raised as fees and expenses. Ask the solicitor if a professional fund-raiser is being used and, if so, what percentage of the total amount contributed will actually go to the charity which is asking for your help.

### ADDITIONAL TIPS

- Don't give your credit card number to strangers over the phone!
- Don't respond to letters that say you have pledged money, unless you are 100 % certain you did. Keep track of your donations.
- Don't pay attention to harassing letters. Authentic charities might send you a polite reminder, but will not pester you or report you to a credit rating agency. Even if you agree to donate over the phone, you are not legally obligated to make the donation if you are uncomfortable with the pledge.
- Don't give cash. Write a check and make it out to the charity.

### FOR MORE INFORMATION

The Division's Charities Registration Section has registered more than 19,000 charities and 250 professional fund-raising firms. The Division regulates fund-raising activities and investigates reports of illegal operations. It prosecutes offenders and in some instances is able to have fraudulently solicited monies returned. But the best protection you have is using your common sense and following the tips provided here.

If you would like to find out if a charity is registered, whether it uses a professional fund-raiser, or has a history of complaints, call the Charities Hotline at 973-504-6215. You may also contact the Division at:

N.J. Office of the Attorney General  
Division of Consumer Affairs  
Charities Registration Section  
P.O. Box 45021  
Newark, NJ 07101

973-504-6215

Or online at:

[www.njconsumeraffairs.gov/ocp.htm#charity](http://www.njconsumeraffairs.gov/ocp.htm#charity).

### New Jersey Office of the Attorney General DIVISION OF CONSUMER AFFAIRS



#### NEWARK

124 Halsey Street  
P.O. Box 45025  
Newark, NJ 07101  
973-504-6200  
800-242-5846  
(toll free within N.J.)

E-Mail: [AskConsumerAffairs@dca.lps.state.nj.us](mailto:AskConsumerAffairs@dca.lps.state.nj.us)

website:

[www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov)

800-242-5846 • [www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov)

Office of the Attorney General



New Jersey Division of  
**Consumer  
Affairs**