

# Boulder County Fires:

## Be wary of contractor repair fraud



Understandably, in the wake of such devastating loss with the Boulder County Fires, rebuilding lives and homes is a great concern. After natural disasters, scam artists posing as door-to-door repairmen, contractors, or handymen often arrive in the affected area promising discounted prices and quick repairs. Some use high-pressure sales tactics to get consumers to sign contracts for the needed repairs.

Before agreeing to do business, consumers should ask contractors for references and call their previous clients in order to check their reputation. You can also check with the Better Business Bureau for additional information about the business or individual. Consumers should also reach out to their local officials to find out if tree and debris removal contractors need to be licensed in the area.

As you begin the process of repairing your home, there are steps you can take to avoid contractor fraud and ensure that you are working with a reputable contractor.

### Tips for avoiding contractor repair fraud:

- Say no to contractors using high pressure sales tactics or requesting that you make an immediate decision.
- Before you spend any significant amount of money on home repairs, solicit bids from at least 3 different contractors to compare pricing.
  - Before you select your contractor, check with your local government to determine if your contractor is properly licensed.
    - Town of Superior Building Department: <https://www.superiorcolorado.gov/departments/building-department>
    - City of Louisville Contractor Licensing: <https://www.louisvilleco.gov/local-government/government/departments/building-safety/contractor-licensing>
    - For electrical and plumbing contractors, check with the Colorado Department of Regulatory Agencies (DORA): <https://dora.colorado.gov/check-a-license>
- Prior to selection, check the contractor's complaint and business history with the Better Business Bureau.
  - Boulder Better Business Bureau: <https://www.bbb.org/us/co/boulder>
  - Denver Better Business Bureau: <https://www.bbb.org/us/co/denver>
  - BBB Serving Northern Colorado and Wyoming: <https://www.bbb.org/local-bbb/bbb-serving-northern-colorado-and-wyoming>



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### Tips for avoiding contractor repair fraud (cont.):

- Prior to selection, ask the contractor how long they have been in business and confirm that the company is registered with the Colorado Secretary of State.
- Ask the contractor to provide you with references from prior customers and contact the customers to confirm the contractor completed all work in a satisfactory manner.
- Ask to see a copy of the contractor's liability insurance policy to make sure it covers any negligent repair and a copy of the contractor's workers compensation insurance policy to make sure it covers any potential injuries while working on your property.
- Ask the contractor what bank they use to maintain customer deposits and whether the account is a trust account, separate from their personal account as required by the Colorado Contractor Trust Fund Statute, Section 38-22-107 of the Colorado Revised Statutes. The statute imposes criminal penalties for contractors who fail to keep consumers' funds separate from their personal funds.
- Require your contractor to obtain mechanic's lien waivers from all suppliers and subcontractors.
- Demand the selected contractor sign a written contract that spells out specific details of the agreement including when the work will be started, the quality and type of all materials to be used, and when the work will be completed. Insist on making partial payments under the contract as specific work is completed to your satisfaction. Make sure the contract includes the contractor's contact information and does not have any blanks left at the time of signing.
- Insist on paying with a credit card or check. Be wary of contractors asking for a cash deposit. Negotiate a reasonable down payment with the full payment to be made only upon satisfactory completion of work.
- Do not make additional payments prior to completion of required work and be wary of contractor's request for advance payments due to "special" circumstances.



**Report fraud at [www.StopFraudColorado.gov](http://www.StopFraudColorado.gov) or call 800-222-4444.**