



News Release

FOR IMMEDIATE DISTRIBUTION

Saskatchewan Policing Agencies Remind Consumers March is Fraud Awareness Month: Focus on Construction Fraud/Home Repair Scams

The Commercial Crime and Fraud Sections with RCMP “F” Division, Regina Police Service, Saskatoon Police Service, and the Saskatchewan Financial Services Commission have joined forces to promote March as Fraud Awareness Month to Saskatchewan residents and consumers.

The focus will be on five fraudulent activities that have increased in occurrence and visibility and as a result, should be brought to the attention of Saskatchewan consumers and residents. Each activity will be featured weekly during the month and this week’s fraudulent activity is Construction Fraud/Home Repair Scams.

There has been a greater demand for construction and home repairs which results in consumers seeking contractors to complete home repairs or home renovations. It is during these times that consumers may become victims of construction fraud/home repair scams which occur when a contractor is deceitful or dishonest in the quality and/or the completion of the repairs. This deception can result in a variety of ways which may include:

- completion of only a portion of the agreed upon project and then the contractor disappears before the project is complete
- contractor requires large deposits on a project and then does not show up to start the project
- the project is completed with inferior products compared to what was agreed upon and paid for
- claiming of unnecessary work that was identified as being “unforeseen” work or “uncompleted work” that now requires completion
- creating work that needs to be done in addition to what was agreed upon
- claiming certain repairs have been made when they in fact have not been made
- unsolicited contact with customers with an offer to assist with home repairs

The following tips are offered to help consumers and residents to protect themselves:

1. Use reliable, licensed contractors – check with the municipal administrative office for licensing requirements and ensure that the contractor holds the required license. Check with the provincial government’s Consumer Protection Branch if the contractor initiated contact with you at your home or by telephone as they are required under the *Direct Seller’s Act* to be bonded and licensed. Contact the provincial government’s Corporations Branch to determine if the company is registered to do business in Saskatchewan. You can also contact the Better Business Bureau to find out if the company has any complaints against them.

2. Ask for references – Contractors should have names of previous customers. Contact the references and ask if they were satisfied with the work. Actually attend the project site and view the work done by the contractor.
3. Request written estimates – get a detailed, written estimate from the contractor and compare it to at least three other detailed estimates.
4. Ask for proof of insurance – make sure the contractor has insurance for property damage and liability insurance as well as worker’s compensation insurance. If the contractor is not insured, the homeowner may be liable for injuries that occur on their property.
5. Have the contract in writing – the contract should be detailed including what work is to be completed; what products are to be used; when the work is to start; when the work is to be completed; who will obtain the necessary permits; a list of sub-contractors if they are used; name and address of the contractor; your name and address, and the address of the place where the work will be done; who is responsible for clean-up; a breakdown of the cost, including taxes; and a payment schedule for work completed. It may be beneficial to have the contract reviewed by an appropriate professional.
6. Get guarantees in writing – if the contractor makes a guarantee, get it in writing. The guarantee can be a part of the contract and it should indicate what the guarantee is, how long the guarantee is for and who is responsible for the guarantee.
7. Have the work inspected – make sure that the work, where applicable, is properly inspected by a qualified inspector.
8. Make payments to the company name – if payment is made by cheque, make the cheque payable to the company rather than to an individual person.
9. Confirm the contractor’s credentials – when you meet with the contractor ask about their qualifications and training. Confirm that the contractor actually possesses the qualifications and training that they claim to have.

Contractors may want a deposit or down payment prior to starting the work. Deposits should be kept to a minimum. There is a greater risk with larger deposits. Commonly 10% is provided as a deposit, with installments made as the work progresses. A minimum of 10% is required as a holdback as per *The Builder’s Lien Act* for a period of 40 days after the work has been completed, for projects that are more than \$100. This holdback protects the homeowner from liens that may be applied against their property from suppliers or employees of the contractor who have not been paid. If a lien is not placed against your property after 40 days, the 10% holdback can be paid to the contractor.

If a consumer is a victim of a Construction Fraud/Home Repair Scam, they should contact their lawyer for advice on how to proceed. While the majority of these situations are civil in nature, some can be criminal. Contact your local police agency for information as to whether or not your case warrants a criminal investigation. The incident may also be reported to the Better Business Bureau.

Through heightened attention of Fraud Awareness Month, the trained staff of Commercial Crime and Fraud Sections with RCMP “F” Division, Regina Police Service, Saskatoon Police Service and the Saskatchewan Financial Services Commission will be able to share their knowledge and inform the general public. Education on fraudulent activities will help prevent consumers from becoming “victims.”

Future fraudulent activities to be profiled in media releases during the month of March as part of Fraud Awareness Month include Identity Theft, Mass Marketing Fraud/E-Commerce, Social Networking/On-Line Dating Fraud and Securities Schemes.

-30-

For further information, contact:

March 1, 2010

Corporal Trevor Ellis
Commercial Crime Section
RCMP “F” Division
Phone: 306-780-6005

Or visit: www.sacp.ca/fraudawareness/

The following contact information is offered below as additional reference.

RCMP “F” Division: www.rcmp-grc.gc.ca/sk
RCMP: www.rcmp-grc.gc.ca/scams-fraudes/
Regina Police Service: www.reginapolice.ca
Saskatoon Police Service: www.police.saskatoon.sk.ca
Saskatchewan Financial Services Commission: www.sfsc.gov.sk.ca
Better Business Bureau: 1-888-352-7601, www.sask.bbb.org
Consumer Protection Branch: (306) 787-5560, www.justice.gov.sk.ca/cpb
Corporations Branch: (306) 787-2962, www.corporations.justice.gov.sk.ca
Bank of Canada: www.bankofcanada.ca/en/video_corp/dbo/dvd_fraud.html



Saskatchewan
Financial Services
Commission