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NEW YORK OFFICIALS 'HAMMER' UNLICENSED HOME IMPROVEMENT CONTRACTORS IN COORDINATED MULTI-COUNTY ENFORCEMENT SWEEP

Regional Consumer Protection Agencies and District Attorney Offices Announce Results of Multi-county Enforcement Effort

New York officials today announced issuing nearly 700 violations and 17 criminal summonses or arrests, and the seizure of more than 130 vehicles owned by unlicensed home improvement contractors during a 5-week, multi-county enforcement sweep.

Unlicensed home improvement contractors often fail to satisfactorily perform their work and cause significant damage to people's homes, generally their largest personal asset. To better protect homeowners, The New York City Department of Consumer Affairs (DCA) coordinated a multi-county enforcement sweep with regional consumer affairs departments and law enforcement agencies to target unlicensed home improvement contractors operating in the five boroughs and in the surrounding counties. DCA Commissioner Jonathan Mintz was joined by Nassau County Office of Consumer Affairs (OCA) Commissioner Roger C. Bogsted, Nassau County District Attorney Kathleen Rice and Westchester County Department of Consumer Protection Director Gary Brown for the announcement.

"By coordinating home contractor enforcement across all five boroughs of the City and the counties the region, this enforcement sweep sends two unmistakable messages. To illegal contractors, simply put: you must be licensed and do right by homeowners or face large fines, vehicle seizures and criminal penalties," said Commissioner Mintz. "To homeowners contemplating renovations, also simply put: never, ever risk your house or your savings by hiring an unlicensed contractor."

During its sweep, the **New York City Department of Consumer Affairs (DCA)** conducted nearly 500 undercover and routine inspections throughout the City. DCA inspectors seized 93 vehicles owned by unlicensed home improvement contractors and issued more than 400 additional violations based upon consumer complaints. DCA has fielded nearly 900 consumer complaints about home improvement contractors this year and has secured approximately \$4.4 million in restitution for homeowners. Furthermore, the Department has implemented more stringent compliance agreements, increased public education with on-site community licensing forums, trained industry professionals and provided bilingual tips for homeowners to inform them of their rights under the law. Currently there are more than 10,800 home improvement contractors licensed to work in New York City – an approximate 70% increase in licensed contractors from five years ago.

"When you hire an unlicensed contractor, you're rolling the dice," Nassau County District Attorney Kathleen Rice said, adding that consumers should thoroughly

research home contractors before someone is hired. "We are very aggressive on these cases and we will continue to work hard to hold these unscrupulous businesses accountable."

During a two-month, four-part investigation in conjunction with the Nassau County Office of Consumer Affairs, the **Nassau County District Attorney's Office** charged 51 individuals who operated home improvement businesses without licenses. Four were charged with Grand Larceny in the Third Degree for allegedly stealing more than \$150,000 from homeowners for home improvements that were either not finished, or never even started. Investigators also rented a home in Nassau County and called in unlicensed contractors to perform "renovations." This month-long operation yielded 17 charges of Operating a Home Improvement Business without a License, a class A misdemeanor, and the contractors' vehicles were seized under the County Forfeiture Law. Twenty contractors were charged with the same misdemeanor for shoddy workmanship that resulted in huge economic losses to homeowners, and ten more contractors were rounded up on outstanding warrants.

"The results of this investigation should serve to alert homeowners," Nassau County Consumer Affairs Commissioner Roger Bogsted said. "If you're shopping for a home improvement contractor in the state of New York, check with Consumer Affairs and only do business with licensed contractors that have a solid reputation. We have zero tolerance for unscrupulous contractors defrauding home owners and those contractors that skirt the law will receive prompt appropriate penalties."

"During May, officials from **Nassau County's Office of Consumer Affairs** and the District Attorney's Office conducted undercover and field inspections resulting in the seizure of 17 vehicles owned by unlicensed home improvement contractors, as well as more than 90 additional violations. Efforts also included use of a sting house where 17 individuals were arrested for fraud and operating without a license. Over the past year, Nassau County Consumer Affairs has assisted consumers with refunds in excess of \$1 million dollars."

"The **New York State Consumer Protection Board (CPB)** commends the DCA and other local consumer affairs departments for their efforts to improve the performance of home improvement contractors," said Mindy A. Bockstein, chairperson and executive director of the CPB. "Consumers have been at the mercy of unscrupulous home improvement contractors for too long. These sweeps send a signal to the public and to vendors that we are watching. In addition, the CPB is seeking to empower consumers, by giving them greater access to information through our interactive, web-based 'Ask the Expert' program which will be launched next week in partnership with the New York State Builders Association, complementing local enforcement efforts."

"Westchester County Executive Andy Spano's administration continues to take a zero-tolerance approach to illegal home improvement contractors. The message is clear: get a license or get out of Westchester," said Gary Brown, director, Westchester County Department of Consumer Protection.

In a 5-week sweep, the **Westchester County Department of Consumer Protection** deployed three teams of field inspectors conducting more than 570 inspections of home improvement contractors and finding 98 companies working without a license. The department also utilized the county's new Seizure/Impound law to seize the vehicles and tools of five unlicensed contractors. Impounded vehicles and tools are held by the county until the unlicensed contractor applies for a license and pays all outstanding fines. A new county law also dramatically increases the civil penalty for unlicensed contractors who are repeat violators. After an initial \$1,000 penalty, penalties can now increase to \$5,000 for a second violation within five years

and \$10,000 for a third and subsequent violations within 10 years.

To file a complaint, check if a home improvement contractor is licensed, obtain information, request free consumer and business publications, ask about license application requirements, or to request information from the State Consumer Protection Board's "Ask the Expert" program, please contact the following consumer protection agencies:

- New York City Department of Consumer Affairs (Dial 311 or www.nyc.gov/consumers)
- Nassau County Office of Consumer Affairs (www.nassaucountyny.gov/agencies/oca)
- Nassau County District Attorney's Office (www.nassauda.org)
- New York State Consumer Protection Board (www.nysconsumer.gov)
- Westchester County Department of Consumer Protection (www.westchester.gov/consumer)

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Ensuring a fair and vibrant marketplace for consumers and businesses alike, DCA licenses more than 60,000 businesses in 55 different categories. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses about their rights and responsibilities. For more information, call 311 or visit DCA online at www.nyc.gov/consumers.

Quick Tips for Hiring a Home Improvement Contractor:

- **Always use a licensed home improvement contractor and/or salesperson.**
Check with your local consumer protection agency to see if a contractor is licensed. Also make sure that the person you are negotiating with is a licensed home improvement salesperson and authorized to negotiate a contract on behalf of the contractor. Using a licensed contractor ensures that contractors are properly insured and that your local consumer protection agency can intervene on your behalf if there is a problem.
- **Get references.**
Check with at least three reputable references before hiring a contractor. In addition to checking with your local consumer protection agency, check with other surrounding areas including New York City, Suffolk, Nassau and Westchester counties for complaints.
- **Never pay cash.**
Never pay for repairs or improvements without a contract and never pay in cash. Pay no more than a quarter of the total amount upfront, up to a maximum \$15,000, to get the work started. Then continue with 'progress' payments as work continues so payments are tied to specific work progress, with final payment due when all the work is completed to your satisfaction. Be sure to keep track of all paperwork and payments.
- **Know your contract rights.**
By law, homeowners have the right to cancel any contract within three days, including contracts for home repair and/or improvements. Many agencies,

including DCA, provide a sample contract online. Always check the contract, especially for a cancellation notice.

- **Don't finance improvements or repairs through your contractor.**
It is illegal for contractors to offer or arrange loans when soliciting or performing home improvement work in New York City. If financing is needed for repairs or improvements, investigate reliable and legitimate options on your own at your bank or credit union of choice.

- **Call your local consumer protection agency for more information.**
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