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Kay Sarlin / Abigail Lootens / Shannon Paz
(212) 487-4283

DEPARTMENT OF CONSUMER AFFAIRS (DCA) STING HOUSE OPERATION "NAILS" ILLEGAL HOME IMPROVEMENT CONTRACTORS

DCA's Expanded Enforcement Protects New Yorkers from Illegal Home Improvement Contractors

Department of Consumer Affairs (DCA) Commissioner Jonathan Mintz today announced the results of an eight-week sting house operation targeting illegal home improvement contractors. DCA issued violations and seized vehicles from 12 unlicensed contractors, who have agreed to pay more than \$65,000 in fines and restitution. DCA identified six of these contractors based on fines or restitution they owed, previously revoked licenses and consumer complaints. The Department targeted the other six after finding them illegally advertising their services in local newspapers or online despite being unlicensed. While licensed contractors' work is ultimately backed up by DCA's Home Improvement Contractor Trust Fund, into which licensees pay a fee, unlicensed home improvement contractors put homeowners at risk for unsafe workmanship, unfinished projects and excessive expenses.

"I'm pleased our multi-borough sting house operation was successful in nailing these dozen illegal contractors," said Commissioner Mintz. "Home repairs and renovations are often the costliest of annual expenses and in today's tough economy more than ever, New Yorkers, and those investments are best protected when using the thousands of City-licensed contractors listed on our website."

As part of its sting house operation, DCA investigators scheduled 14 appointments for estimates, with 13 of the illegal contractors showing up to bid on a job. When each of the unlicensed contractors agreed to conduct a range of services despite being unlicensed, DCA immediately seized their vehicles and issued violations. A total of 12 vehicles were seized; the 13th contractor fled when the undercover inspector identified himself, though the Department still filed violations for unlicensed activity.

In the last year, DCA conducted more than 1,600 inspections throughout the City, issuing more than 600 violations, seizing over 200 vehicles and revoking or suspending more than 100 licenses. Last year, the Department secured more than \$6.2 million in restitution for consumers. The majority of the nearly 500 complaints received by DCA about home improvement contractors involved contractors failing to follow through on the terms of their contracts with homeowners. Home improvement contractors are consistently one of DCA's highest complaint categories. There are currently more than 13,000 home improvement contractors licensed with DCA.

Consumers can instantly check to see if a contractor is licensed online at nyc.gov/consumers or by calling 311. DCA also provides a model contract that covers the breadth of a home improvement project, from materials and equipment to prices, payments and work schedules. Home improvement contractors can apply online for a DCA license.

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, DCA licenses more than 71,000 businesses in 55 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. DCA's Office of Financial Empowerment (OFE) is the first local government initiative in the nation with a mission to educate, empower, and protect New Yorkers with low incomes so they can build assets and make the most of their financial resources. Toward that end, OFE seeks to increase access to high-quality, low-cost financial education and counseling; improve access to income-boosting tax credits; connect households to safe and affordable banking and asset-building products and services; and enforce

and improve consumer protections to enhance financial stability. For more information, call 311 or visit DCA online at nyc.gov/consumers.

Quick Tips for Hiring a Home Improvement Contractor:

- **Always use a licensed home improvement contractor and/or salesperson.**
Check if your home improvement contractor and/or home improvement salesperson is licensed by calling 311 or using DCA's Instant License Check at nyc.gov/consumers. Persons soliciting or performing home improvement work in New York City costing more than \$200 must be licensed by DCA.
- **Get references.**
Call 311 to check complaint history with DCA and check with at least three reputable references before hiring a contractor. Also check with surrounding areas including Suffolk, Nassau and Westchester counties for complaints.
- **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. Always check the contract, especially for a cancellation notice.
- **Get a written estimate.**
One of the best ways to calculate the cost of your home improvement work is to get estimates from a minimum of three contractors. Under the Home-Improvement Business Law, a home improvement contractor must provide a written estimate upon request. If a contractor charges for supplying a written estimate, you must be told beforehand how much the fee will be.
- **Use DCA's home improvement model contract.**
Don't start work or make payments without a written contract that clearly indicates all of the specifics of the project. DCA's model contract is an easy-to-use template that covers the breadth of a home improvement project, from materials and equipment to prices, payments and work schedules. DCA's model contract is free and available online at nyc.gov/consumers or by calling 311. Ask for the Home Improvement Contractor license application packet.
- **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.
- **Don't finance improvements or repairs through your contractor.**
It is illegal for contractors or salespeople to arrange or offer to arrange home improvement loans for you. If they attempt to do this, file a complaint immediately with DCA via 311 or online at nyc.gov/consumers. If financing is needed for repairs or improvements, investigate reliable and legitimate options on your own at your bank or credit union of choice.
- **Consider looking for home improvement contractors who use green products.**
Green products are healthier for the environment and better for your home. Visit nyc.gov/greenyc for tips.