



NEWS RELEASE

Marty J. Jackley
South Dakota Attorney General

Charles McGuigan
Chief Deputy Attorney General

FOR IMMEDIATE RELEASE: Tuesday, May 12, 2015
CONTACT: Sara Rabern (605) 773-3215

State Officials Warn of Potential Unscrupulous Contractors in Wake of Delmont Tornado Disaster

PIERRE – Attorney General Marty Jackley and the South Dakota Department of Public Safety urge Delmont tornado victims to proceed with caution when moving into the recovery phase of this disaster. Residents will understandably be eager to have new construction or the necessary work done to their damaged property. However, state and local officials are urging consumers to take the necessary steps to evaluate a bidder before contracting for a job. Consumers who need repair work done quickly following a natural disaster are often targets of unscrupulous business practices.

“While the vast number of contractors follow legitimate business practices, there are a handful that will seek to take an unfair advantage of this tragic situation,” said Jackley. “Many victims are quite vulnerable in the recovery stage, and we encourage them to take time to evaluate and secure the right contractor to avoid becoming a victim of a scam.”

“In these types of disasters, those impacted residents are dealing with many issues and trying to cope with repairing their homes,” said Public Safety Secretary Trevor Jones. “We know these are momentous decisions. We urge them to take their time, do their research and hire a legitimate contractor.”

Here are a few suggestions when choosing professional contractors:

- Take the time to evaluate the bidder before contracting the job.
- Homeowners should look for a reliable contractor with a proven track record who readily offers credentials.
- Ask for references. Legitimate contractors should be more than willing to provide a list of satisfied customers to verify their work.
- Ask for a written estimate and a written contract.
- Ask for sales tax license.
- Keep a copy of the final, signed contract. Read this contract carefully before signing. This contract will usually be binding once you have both agreed to it. The contract should state that any changes in the project should include a Change Order signed by both and put guarantees in writing. Any guarantees made by the contractor should be written into the contract.
- Obtain a local building permit, if required.
- Make final payments only after the work is completed. Do not sign completion papers or make the final payment until the work is completed to your satisfaction.
- Pay by check. Avoid on-the-spot cash payments. The safest route is to write a check to the contracting company.

- Avoid door-to-door contracting offers. Many transient contractors will not be available if problems occur months after the work has been completed.

Tornado victims are also encouraged to shop around for materials that might be used during this time of recovery. South Dakota does not have price gouging statutes to protect consumers. Consumer will have to use their own due diligence to research and compare pricing of building product. If you have questions regarding price gouging or transient contractors contact the Attorney General's Consumer Protection Division at 1-800-300-1986 or at consumerhelp@state.sd.us.