

Real Estate

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TOP 10 contractor scams

By Julia Fairclough

GLOBE CORRESPONDENT

Adding insult to injury, Evelyn Hinde's contractor poured concrete down her shower drain shortly after she fired him. He had done a great job reconstructing her front porch, so she hired him for a major renovation on her 150-year-old farmhouse in Chelsea. But his workmanship deteriorated after a few months on the job. He did not show up for weeks on end, asked for payments in advance, and hid nips of raspberry liquor in her ceiling beams. Hinde was forced to fire him by letter because he never returned her calls so that she could arrange to do it in person. Hinde's tiler discovered concrete in the shower drain after the carpenter returned to the home to collect his tools.

"The next time around I will hire out a contractor to subcontract the work," Hinde said. "I don't ever want these headaches again."

Unfortunately, contractor horror stories are all too common. And considering that remodeling jobs are expensive, essential, and emotional, it's crucial that homeowners safeguard themselves.

Here, then, are the top 10 signs a contractor is untrustworthy, according to the National Association of the Remodeling Industry.

1 You can't verify the remodeler's name, address, telephone number, or credentials.

In Massachusetts, all commercially registered vehicles must have business lettering on them. Licensed plumbers and electricians are required by state law to list their license number on their vehicle, said David Morgan, president of DRM Design Build Inc. in Southborough.

2 The seller tries to pressure you into signing a contract.

The sales representative just goes from one bid to the next but is never actually on site during the remodeling. "Many just take your money but are not interested in delivering a quality job," said Marcel Cormier, a general contractor in Waltham. "Trust your gut reaction and ask yourself if someone behaves in a way that makes you distrust them."

3 The sales representative tells you a special price is available only if you sign the contract immediately.

Most professionals work in the opposite fashion. They tell potential clients right away that a quality remodeling job is often expensive, Morgan said. During the preconstruction meeting, the contractor should give homeowners a range of costs, rather than lead them on by offering low pricing, Morgan said.

Any job over \$1,000 requires a written contract. The document must contain the price, the payment schedule, a detailed description of the work and materials used, actual addresses (not post office box numbers), and project start and end dates.

4 The contractor does not offer, inform or extend notice of your right to cancel the contract within three days.

Whenever a homeowner signs a contract for remodeling in Massachusetts, the business must include the form for the three-day right of rescission. State law requires notification in writing of this right. This three-day grace period allows homeowners to change their mind and declare the contract null and void, without

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penalty, if the agreement was solicited at some place other than the contractor's place of business or appropriate trade premises, such as at the home.

5 No references are furnished.

Obtaining references is one of the most important steps. "Homeowners must be able to talk to other satisfied customers," Morgan said. People should call a recent reference, rather than from four or five years back, he added. And ask for a reference where there was a problem during the project.

6 Information you receive from the contractor is out-of-date or no longer valid.

Never accept a photocopy of a contractor's license, since he or she can easily doctor it to make it appear current, Morgan said. The license may have been canceled.

People should ask contractors to have their insurance company mail them an insurance certificate for both liability and workers' compensation insurance coverage. Do not accept a photocopy in lieu of the actual certificate mailed directly by the insurance agency, on their stationary and with the agency stamp on it, he said.

7 You are unable to verify the license or insurance information.

Anyone who performs residential contracting as a contractor or subcontractor on an owner-occupied residence must register with the Home Improvement Contractor Registration Program. Ask to see the contractor's green HIC card with the name, expiration date, and HIC number.

Consumers can check the Massachusetts state government website at:

www.mass.gov/portal/ to verify license information. Click on the "Occupational licenses" link.

8 You are asked to pay for the entire job in advance, or to pay in cash to a sales representative instead of by check or money order to the company itself. If a contractor asks for all the cash up front, it could be a sign he or she is avoiding paying taxes and insurance premiums, Morgan said. It's also illegal. Under the HIC program, contractors can take only one-third of the value of the contract as a deposit. Some contractors ask for the initial payment when they first show up on the job, Cormier said. Make sure that they have all the materials before paying.

9 The company can't be found in the telephone book and is not listed with the Better Business Bureau, or with a local trade association. Most contractors have a website and don't advertise beyond a one-line listing in the Yellow Pages. Others rely on word of mouth and personal references and don't advertise at all, Cormier said. But if they are affiliated with a trade association, that is evidence the person is reputable.

10 You are given vague or reluctant answers or your questions are not answered to your satisfaction.

The National Association of the Remodeling Industry recommends avoiding contractors with poor communication skills or who are impatient and do not listen — as well as situations in which the contractor is not accessible. "Ask yourself whether he or she is behaving like a professional and whether you'll be comfortable having them in your home for an extended period of time," Morgan said.