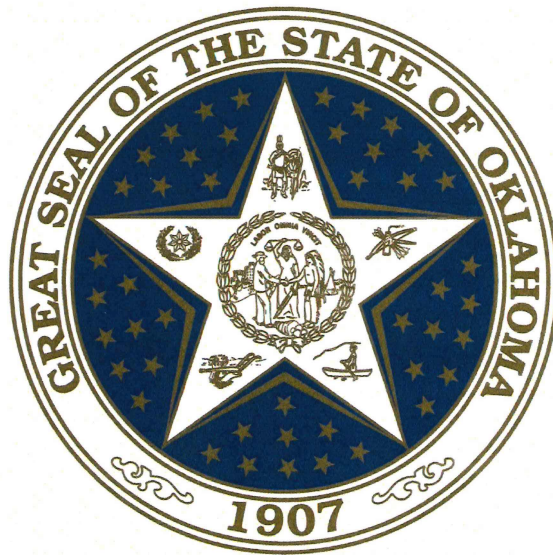


Disaster Scam Prevention

*Tips for Avoiding Fraud in
the Wake of Disaster*



**Office of Attorney General
E. Scott Pruitt**

*Public Protection Unit
405-521-2029
918-581-2885*

In the wake of disaster, Oklahomans have shown time and again to be extraordinarily generous toward their fellow citizens. Unfortunately, disasters also provide an opportunity to those who seek to profit off the relief and recovery efforts of disaster victims. In this packet, Attorney General E. Scott Pruitt outlines several common scams and other illegal conduct that typically follow natural disasters and provides tips to help disaster victims protect themselves from further loss.

I. PRICE GOUGING

The incidence of price gouging in the immediate aftermath of a natural disaster is well documented. Price gouging refers to the sudden and often dramatic increase in the price of goods and/or services that are in demand following such disasters. Common examples include food and water, hotel rooms, rental cars and building materials.

In response to this phenomenon, the Oklahoma Legislature adopted the Emergency Price Stabilization Act in 1999. The Act is triggered when either the Governor or the President declares a state of emergency for a particular county. In counties covered by the declaration, the Act prohibits the sale, rental or lease (or offers to sell, rent or lease) of most **goods, services, dwelling units or storage space** at a price or rate **greater than 10 percent** above the price or rate charged immediately prior to the declaration. For general goods and services, the prohibition remains in effect for the duration of the declaration of emergency and for **30 days** thereafter. For dwelling units, storage space and goods related to home repair and restoration, the prohibition remains in effect for the duration of the declaration and **180 days** thereafter.

II. HOME REPAIR FRAUD

After the initial shock of a disaster has subsided and immediate health and safety concerns have been addressed, most victims' primary concern is repairing or rebuilding their home as soon as possible. This desire is understandable, but victims are urged to take their time in selecting a reputable contractor to undertake any such projects. In our experience, areas damaged by severe storms become a focal point for scam artists offering to perform home repairs.

When selecting a contractor, be particularly wary of the following “red flags” that may indicate that the contractor is running a scam:

- The contractor approaches you in person or contacts you by phone without being solicited. Be especially suspicious of door-to-door solicitations.
- The contractor does not have a local address and arrived to the area following the disaster.
- The contractor claims to have materials left over from a previous job and offers to use them on your project for a steep discount.
- The contractor requires a substantial upfront payment. Asking for payment in cash should also raise your suspicion.
- The contractor does not use a written agreement for the project.
- The contractor uses aggressive or high pressure sales tactics like pushing for an immediate decision or not taking “no” for an answer.
- The contractor offers a discount on your project if you can refer other customers.

To avoid falling victim to home repair fraud, consider the following tips in selecting your contractor:

- Ask family, friends, coworkers or others whom you trust for contractor referrals.
- Whenever possible, deal with local contractors who have roots in your community, and independently verify any address or other contact information the contractor provides to you.
- Obtain written estimates from several contractors and ask for references.

- Contact the Public Protection Unit or the local Better Business Bureau to find out if complaints have been lodged against your contractor. If your project involves roof repair, make sure that the contractor is registered with the Oklahoma Construction Industries Board (www.ok.gov/cib/ or 405-521-6550).
- Do not hire a contractor without a written agreement that includes all relevant details, including any guarantees, warranties and promises made by the contractor and specific start/end dates for the project.

III. CHARITY FRAUD

The work of charitable organizations in the immediate aftermath of disaster is an essential part of the recovery process. Many such organizations have the capability to mobilize quickly and provide immediate relief to disaster victims. Here in Oklahoma, we are fortunate to have a number of reputable charities working hard throughout the state and our citizens have proven to be extraordinarily generous in supporting their efforts. Unfortunately, this generosity has also provided an opportunity for scam artists to take advantage by engaging in false or misleading solicitation or even impersonating solicitors from well-known charities.

To avoid falling victim to charity fraud, consider the following tips before making a donation:

- Donate only to charities that you know and trust. Be wary of charities that seem to have been formed specifically in response to a particular disaster.
- Contact the Oklahoma Secretary of State (www.sos.ok.gov/charity/ or 405-521-3912) to find out if a charity is registered to solicit donations in Oklahoma.
- Ask for written information regarding the solicitor's charity, including the name, mission, administrative costs and how your donation will be used.

- Listen carefully to the name of the purported charity. Scam artists often claim to be associated with a charity that mimics the name of a well-known, reputable organization.
- Be suspicious of any solicitor that uses high pressure or aggressive tactics, asks for donations in cash or promises prizes in exchange for a donation.

IV. IDENTITY THEFT

The loss of personal and financial identification often accompanies major disasters. If your home or business has been damaged, criminals may now have access to documents containing your Social Security number, banking and credit card account numbers and other personal information. This information can be used to access your financial accounts or steal your identity.

If you have lost documents or other materials containing personal or financial information, the following steps will help minimize the potential for fraudulent activity:

- ***Contact your financial institutions as soon as possible.***
 - Close any accounts that have been compromised and place "Stop Payments" on lost checks.
 - Cancel all lost credit/debit cards immediately and have new ones issued.
 - Carefully examine future bank and credit card statements and notify the bank or credit card issuer immediately of any unauthorized charges.
- ***Contact credit bureaus***
 - Ask that your account be flagged for possible unauthorized activity at your request and that a "victim's statement" be attached. It is recommended that the statement read "account closed at consumer's request" rather than "card lost or stolen".
 - Contact information for the major credit bureaus:
 - Transunion (www.transunion.com) – 1-800-680-7289.
 - Experian (www.experian.com) – 1-888-397-3742.
 - Equifax (www.equifax.com) – 1-800-525-6285

- ***Report the loss of your driver's license*** to the Identity Verification Unit of the Department of Public Safety (405-425-2477).
- ***Report the loss of your Social Security Card or unauthorized use of your Social Security Number*** to the Social Security Administration's Fraud Hotline at 1-800-269-0271.
- ***If you suspect that someone has stolen your identity***, acting quickly is crucial. Contact local law enforcement immediately and retain a copy of the police report for your records.

V. ADVANCE FEE LOAN SCAM

Many disaster victims will need quick access to money in order to purchase essentials or rebuild a storm-damaged home or business. For those who cannot rely on credit cards or other traditional forms of credit, scam artists may offer the promise of "guaranteed" loans based upon the payment up-front fees, regardless of the applicant's credit history. No legitimate entity will make this promise. In fact, it is illegal in Oklahoma to assess an advance fee for a loan. Fees may only be assessed after the borrower has received the loan proceeds.

To avoid advance fee loan scams, be wary of the following when deciding whether to take out a non-traditional loan:

- Lenders that are not concerned with your credit history.
- Lenders that do not disclose their fees clearly and prominently.
- Loans offered over the phone.
- Lenders that ask you to wire money or to make a payment directly to an individual.

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If you believe that you are a victim of any unlawful conduct described in this packet, please contact the Attorney General's Public Protection Unit immediately at 405-521-2029, 918-581-2885 or public.protection@oag.ok.gov.



File#:

The contact information MUST be provided as we correspond by U.S. mail. Incomplete forms cannot be processed.
PLEASE WRITE LEGIBLY.

Only one business per complaint form.

Consumer Information		Business or Individual Complaint Is Against	
Name		Name	
Address		Address	
City		City	
State	Zip Code	State	Zip Code
Home Phone		Phone:	
Work Phone		Business Contact Person:	
Email Address:		Website or Email Address:	

Age: ☐ Under 19 ☐ 20-29 ☐ 30-39 ☐ 40-49 ☐ 50-59 ☐ 60-64 ☐ 65 or over

- Initial contact between you and the business:
☐ Person came to my home
☐ I went to company's place of business
☐ I received a telephone call from business
☐ I telephoned the business
☐ I received information in the mail
☐ I responded to radio/television ad
☐ I responded to a printed advertisement
☐ I responded to a website or email solicitation
☐ I responded to a solicitation in a language other than English (what language?) _____
☐ Other _____
- Where did the transaction take place?
☐ At home
☐ By business
☐ By mail
☐ Over the phone
☐ Over the computer
☐ Trade show or hotel
☐ Other _____
- Date of Transaction: _____
- Did you sign a contract? ☐ Yes (please enclose a copy) ☐ No
- Product or Service Involved (if car, new or used): _____
- Actual Amount Paid: _____
☐ Check ☐ Cash ☐ Credit Card ☐ Loan ☐ Wire Transfer
☐ Money Order ☐ Cashier Check ☐ Debit Card ☐ Bank Account Debit
- Have you contacted the business? ☐ Yes ☐ No
If yes, what action was taken? _____
- Have you contacted another agency or organization? ☐ Yes ☐ No
If yes, name of agency or organization. _____
- Have you retained an attorney? ☐ Yes ☐ No Has a lawsuit been filed? ☐ Yes ☐ No

(PLEASE CONTINUE ON OTHER SIDE)

FOR OFFICE USE ONLY

Product/Service _____ Send: _____ Ref To: _____ Comment: _____

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In signing this complaint you understand that the Attorney General does not represent citizens seeking the return of their money or other personal remedies. The above statements are true and accurate to the best of my knowledge.

Your Signature Required: _____ Date: _____

Please return this form to: Office of Attorney General
Public Protection Unit
Attn: Investigative Analyst
313 N.E.21st Street
Oklahoma City, OK 73105

E. SCOTT PRUITT
OKLAHOMA ATTORNEY GENERAL



CHARITABLE ORGANIZATION COMPLAINT FORM

Complaint # _____

YOUR NAME: _____

ADDRESS: _____ CITY: _____ STATE: _____ ZIP CODE: _____

HOME PHONE: _____ ALTERNATE PHONE: _____ E-MAIL: _____

NAME OF THE CHARITABLE ORGANIZATION OR FUND-RAISING CAMPAIGN ASSOCIATED WITH THE SOLICITATION: _____

ADDRESS: _____

NAME AND/OR TITLE OF THE PERSON CALLING OR WRITING TO YOU: _____

THE PURPOSE(S) FOR WHICH YOUR DONATION/CONTRIBUTION WAS TO BE USED: _____

HOW WERE YOU CONTACTED? ☐ PHONE ☐ MAIL ☐ IN PERSON ☐ OTHER

IF OTHER, PLEASE DESCRIBE: _____

DATE(S) OF CONTACT(S): _____

DID YOU AGREE OR PLEDGE TO MAKE A DONATION/CONTRIBUTION? ☐ YES ☐ NO

IF YES, HOW MUCH? _____

IF YOU HAVE ALREADY MADE A DONATION/CONTRIBUTION, HOW DID YOU MAKE YOUR DONATION/CONTRIBUTION (CASH, CHECK, MONEY ORDER, CREDIT CARD, ETC)? _____

WHEN DID YOU MAKE YOUR DONATION/CONTRIBUTION? _____

DID YOU RECEIVE ANY WRITTEN SOLICITATION MATERIALS, RECEIPTS, PLEDGE REMINDERS, DECALS, MEMBERSHIP CARDS, ETC? ☐ YES ☐ NO (IF YES, PLEASE PROVIDE COPIES OF ANY SUCH MATERIALS.)

PLEASE NOTE: Have charitable funds or other assets been lost, wasted or diverted from proper charitable purposes? Or, is there a danger that such loss will soon occur? Explain, giving your estimate of amount lost or at risk, if you know. Please provide this information on the reverse side.

(PLEASE COMPLETE THE REVERSE SIDE OF COMPLAINT FORM)

FOR OFFICE USE ONLY

Code: _____ Send: _____ Comment(s): _____

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As a law enforcement attorney, the primary function of the Office of Attorney General is to represent the public at large.

I certify that the information is true and correct to the best of my knowledge, information and belief.

DATE _____

Office of Attorney General
Public Protection Unit
313 N.E. 21st Street
Oklahoma City, OK 73105

January 2013