

How to Protect Yourself: Price-Gouging After a Hurricane

Source: The Florida Attorney General's Office

The victims of any natural disaster, be it a hurricane, flood, or earthquake, have unfortunately become victims of scam artists out to profit from the misery of others. Below is some information on how to protect yourself from becoming a further victim after the initial disaster.

Following Hurricane Andrew, the State of Florida enacted a law that prohibits "price-gouging" after a declared state of emergency.

The law bans unconscionable prices in the rental or sale of essential commodities, which would include lumber, ice, water, chemicals, generators and other necessary goods and services following a disaster. Other states may have similar laws, which also impose penalties on violators.

IF YOU WISH TO REPORT PRICE-GOUGING WITHIN THE STATE OF FLORIDA DURING A DECLARED EMERGENCY, CALL THE FLORIDA ATTORNEY GENERAL'S HOTLINE AT 1-866-966-7226.

Every homeowner wants immediate repairs to their home, but be warned about the "contractor" who knocks on your door with an offer to fix your roof or windows.

Even in such a situation as a disaster, it is still important to obtain more than one estimate for repairs and to check on the qualifications and credentials of any one working on your home. You can contact local consumer agencies, as well as your county occupational license bureau and the state professional regulation division, to determine if the contractor is licensed, has any complaints or violations on record, and is insured. You will also want to ask for references of satisfied customers, and contact those people and examine the work done.

Before signing any contract, check the payment terms and other provisions.

Contracts can be negotiated so they do not totally favor the contractor. You never want to pay the contractor too much in advance, and especially not for work yet to be performed. Payments should be broken down such as one-third up front, one-third when a certain significant stage of work is done, and the final payment when all work is completed. You will also want to obtain releases of liens and a final contractor's affidavit.

Only do business with reputable contractors and businessmen.

Someone selling generators off of a truck on the corner may have stolen them, or they may be inoperable. Someone driving through a neighborhood offering to patch roofs may never be seen again after he collects the deposit or payment.