

AFTER THE DISASTER

Consumer Alert



If you believe a retailer is charging a price “grossly in excess” of what others are charging for similar goods or services, contact the Attorney General’s Consumer Protection Division at 877-765-8388 or [file an online complaint](#).

Con artists travel to and target disaster sites to take advantage of victims who are desperate to repair damage right away and return to a sense of normalcy.

Being an informed consumer is your best defense to avoid becoming a scam victim.

This Alert gives you information on how to spot and stop common post-disaster scams.

SPOT IT: Post-disaster scams

Price Gouging

Basic goods and services are top priorities after disaster strikes: the demand for them increases and scammers take advantage.

If a local hotel charged \$100 for a room the day before a disaster and then charged \$150 for the same room the day after a disaster, is that illegal gouging?

Michigan law prohibits any retailer from charging a price that is “grossly in excess of the price at which similar property or services are sold.”

Even though Michigan does not have a law specifically prohibiting price gouging in direct response to a disaster, the Attorney General does not tolerate any unscrupulous behavior when it comes to gouging.

Scammers attracted by FEMA payments

Scammers swarm to weather disasters to take advantage of otherwise careful consumers who have FEMA money for repairs and want to act quickly to avoid further problems like mold or rot.

Ignore door-to-door solicitors offering damage recovery or discounts with leftover supplies from another job.



FEMA inspectors and other federal workers never solicit or accept money.

Emergency home repairs

Home repair and disaster cleanup scams can be avoided if you know what to look for and take your time before you hire anyone.

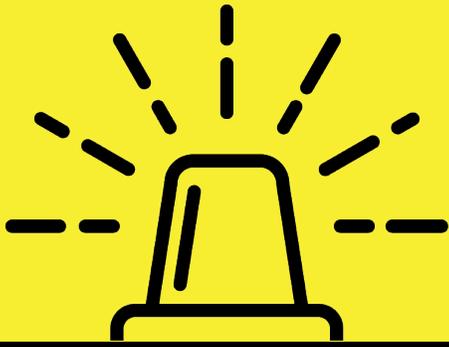
If any of the following warning signs are present, walk away:



High-pressure sales; urgency to act; confusing contract terms; inability to produce a license or references; wants to be paid in cash; has a history of complaints; won’t put the offer or terms in writing; has an out-of-state license plate; or has no business sign on car or truck.

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Attorney General





AFTER THE DISASTER

Consumer Alert

Government Imposters

Beware of government imposters who reach out to you in the wake of a disaster.

Criminals use everything from legitimate government references and threats of government action, to promises of government assistance to trick disaster victims. Always verify any “government” contact you receive in any form—letter, phone call, email, text message, or a knock on your door.



Don't call a number or visit a website provided in an unsolicited contact.

Look up the number or search online for the government office and verify using that information.

Sudden business closures

If a business suddenly closes that you have dealings with, act quickly to stop any further charges or any scheduled payments by your bank or card company.

Timely dispute credit card charges: swift action can be the difference between holding a refund and holding the bag.

If goods or services that you contracted for are not delivered, then you may [file a consumer complaint](#) with the Attorney General's Consumer Protection Division.

You should do this as soon as you can to help minimize any loss and maximize any recovery.



Common problems include missed delivery dates; requests for extra money before delivery; and changing stories about delivery delays.

Flood-damaged vehicles

Living in time zones or zip codes outside of the storm's path does not protect you from a post-disaster scam.

Flood-damaged cars can be shipped across the country to a car lot in your neighborhood just days after a flood.

Many flood-damaged cars appear for sale on the internet or at car lots far away from the disaster without any mention or obvious signs of the damage.

Floods can damage vital parts of a car including airbag sensors, brakes, and electrical systems—and the damage may not show up right away.

The National Salvage Vehicle Reporting Program reports that thousands of water/flood damaged vehicles have been sold at auction, including some then resold without disclosure that they were flood-damaged.



Look for vehicles with tell-tale signs of being submerged in water:

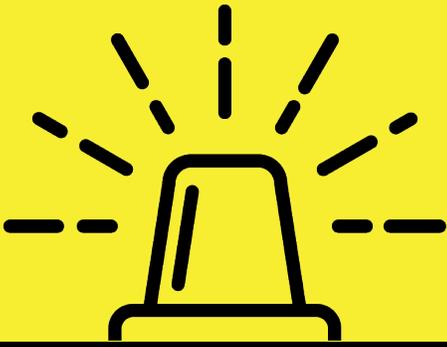
- Musty or “over-perfumed” smell or signs of mold or mildew; or
- Water stains, mud or residue in the trunk, under the carpet/floor mats, gas and brake pedals, and in hard-to-reach places difficult to clean.

Disaster relief charity scams

Scam artists see disaster tragedies as opportunities to enrich themselves.

These scammers exploit the sympathy of donors—perhaps with a name sounding both compassionate and legitimate or with a heart-wrenching appeal—to steal the donations or to obtain consumers' sensitive financial information.

You can avoid disaster scams and still make a positive contribution to relief and rebuilding projects if you act wisely before you donate.



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Consumer Alert

Here are some suggestions:

- Be cautious of email requests for donations by unfamiliar organizations; and
- Choose established charitable organizations that have a history of helping in disasters.

You can also [search the Attorney General's website*](#) to see if the organization is registered to solicit in Michigan.

* Some legitimate charities, including the American Red Cross and Salvation Army, do not appear in the Attorney General's database because they are exempt. Call the Attorney General's Charitable Trust Section (517-373-1152) if you have questions.

STOP IT: How to avoid being scammed

- Check credentials: Michigan law requires a Residential Builder license for any project costing \$600 or more.
- FEMA inspectors verify damages, but they do not involve themselves in any repair, and they do not "certify" any contractor.
- Weather disasters and other unpredictable conditions can trigger suddenly higher prices.
[File a consumer complaint](#) with the Attorney General's Consumer Protection Division if you suspect price gouging.
- Don't put your hard-earned money into a flood-damaged lemon: inspect vehicles closely or take it to an independent mechanic to inspect.

For more tips and information read these related consumer alerts:

- [Building and Remodeling - Advice for Homeowners](#)
- [After the Flood - Be Wary of Scammers Attracted by FEMA Payments](#)
- [Hey! Why Isn't That Price Fixing? The Real Story of Manufacturer's Suggested Retail Prices](#)
- [Government Imposter Scams](#)
- [Business Sudden Closure](#)
- [Beware of Buying a Flood-Damaged Vehicle](#)
- [Disaster Scams - Lessons Learned](#)

Report Fraud

If you have been the victim of a disaster-related scam, or if you would like to file a general consumer complaint, please contact the Attorney General's Consumer Protection Division:

Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
517-373-1140
Fax: 517-241-3771
Toll free: 877-765-8388
[Online complaint form](#)



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