



THE SAVVY CONSUMER COLUMN

The Savvy Consumer
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Consumer Affairs cautions against flood-related fraud

Nashville, TN – With the historic flooding that occurred across Tennessee, Consumer Affairs cautions consumers to be on guard against the various frauds that can occur after any disaster.

Price-gouging

Tennessee price-gouging laws make it unlawful for individuals and businesses to charge unreasonable prices for essential goods and services including gas, food, generators, lodging, storage space and other necessities during an emergency regardless of whether that emergency occurred in Tennessee or elsewhere. "Under Tennessee law, price-gouging is illegal, and we will pursue violators of that law," says Consumer Affairs Director Mary Clement. "I encourage consumers who suspect retail outlets of price-gouging to file a complaint with us by visiting <http://tn.gov/consumer/PriceGougeCmplnt.shtml>."

Contractor Scams

Some fraud artists pose as home contractors and attempt to take money from unsuspecting homeowners eager to get their homes repaired. Don't be pressured into making a snap decision. As the consumer, you are always in the driver's seat. Don't sign any blank contracts. If you have any questions, contact FEMA or the Department of Commerce and Insurance. Before you pay anyone, first verify that the contractor has the appropriate license from the state. Visit <http://verify.tn.gov/> or <http://licsrch.state.tn.us/>. After typing in two requested words to get past the security prompt, enter the name of the contractor or firm and pull down "contractors" or "home improvement" from the drop-down menu. Then hit "search." Remember: Legitimate contractors should not have a problem with you pausing to verify their license status.

FEMA Fraud

Consumers should also be aware of possible FEMA fraud. FEMA advises flood victims to treat with suspicion anyone claiming to be with the agency who shows up unannounced. Legitimate FEMA representatives set appointments with flood victims before showing up to a home. Never give personal information to someone claiming to be a FEMA representative that shows up to your home unannounced. Legitimate FEMA representatives already will have personal data related to the homeowner – such as Social Security and FEMA-specific disaster applicant ID numbers that the agency will use to track victims' cases.

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Charitable Giving

Tennesseans have been incredibly generous by donating to help their neighbors recover from the flooding. However, consumers should use caution when giving to charity. Always ask questions about the charity and how the money will be spent. In Tennessee, charitable organizations, except those specifically exempted by law, are required to register with the Division of Charitable Solicitations and Gaming. Check out the organization before making any donations by visiting www.tn.gov/sos/charity/.

Identity Theft

Flood victims should be cautious about protecting personal information. With personal possessions being placed outside the home and on the streets, it is possible for fraudsters to rummage through trash looking for bills or other papers with personal information such as names, birthdates, and Social Security and credit card numbers. Consumers should regularly shred old personal documents, and order copies of their credit report from the three major credit bureaus once a year to ensure they are accurate.

To file a complaint against a business, please contact Consumer Affairs at www.tn.gov/consumer/ or 1-800-342-8385. Consumer Affairs is a division of the Department of Commerce and Insurance (www.tn.gov/commerce/), which works to protect consumers while ensuring fair competition for industries and professionals who do business in Tennessee.

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