

Table of Contents

Protecting Yourself From Scams

Some people take advantage of disaster survivors by attempting to steal their identities or scam them. Scammers particularly target the elderly. Disaster survivors should protect their money and privacy by being aware of common scam and fraud attempts.

How to Report a Suspected Scam

For scams related to FEMA, call FEMA's fraud hotline: (866) 223-0814

For other scams, file an online report with the Kentucky Attorney General:
ag.ky.gov/scams or call 502-696-5485

Common Scams

Scam #1: FEMA Cash Payments

Survivor receives a call from a "FEMA representative." The caller states that the survivor is eligible for a cash payment from FEMA. The caller tries to obtain the survivor's personal information to "confirm their account."

FACT: If you qualify for FEMA assistance, you will receive a check or electronic funds transfer (EFT) in the mail or direct deposit into your bank account. FEMA does not do cash payments.

Scam #2: Contractor Fraud

A person claiming to be a contractor comes to the home of a disaster survivor. He tells the homeowner that he can repair their floor, which was damaged in a flood. He asks for a down payment or complete payment upfront. The homeowner writes him a check. He leaves fake contact information and is never heard from again.

FACT: You should research anyone who claims to be a contractor before you pay them any money, especially if they are going door-to-door in a disaster area.

Here are some useful tips:

- Ask for a written contract before the work begins.
- Never pay for more than one third of the work up front. Be suspicious if a “contractor” wants you to pay everything up front or tells you that you’ll get a better deal if you do so.
- Research the contractors you are considering. See if they are listed on the Better Business Bureau website (<https://www.bbb.org/>). Read reviews on sites such as Yellow Pages or Angi (formerly known as Angie’s List). Ask trusted family and friends for recommendations.
- If you have home insurance, you can ask an adjustor for an estimate of repair costs and ask them to recommend reputable contractors.
- Ask for proof of insurance. Reputable contractors will have the proper insurance (workers compensation, if they have employees, and general liability). They will provide proof of coverage when asked.
- Don’t sign anything giving a contractor rights to your insurance claims.

- Pay the contractor when the job is done or according to an agreed payment plan, with insurance money you have received and deposited into your personal bank account.

BEWARE OF POTENTIAL SCAMS IF A CONTRACTOR...



- ✗** Asks for all the money for the project upfront
- ✗** Asks you to “take my word for it” and does not have a contract for you to sign.
- ✗** Asks for more money because of “unexpected problems.”
- ✗** Drives a vehicle with out-of-state license plates or the vehicle displays a different company name.
- ✗** Works for a company that has an out-of-state address or only a P.O. Box or hotel address.



Scam #3: GoFundMe

A friend shares a link on Facebook to a GoFundMe account that allegedly belongs to a single mom who lost her home in a flood. You donate \$50 to the GoFundMe. Several weeks later, you hear from your friend that the woman running the GoFundMe lives in a different part of the state and used the money to buy an iPad.

- FACT: There is generally no way to verify the accounts and stories posted on “crowdfunding sites,” where individuals try to raise money for themselves or others. Consider donating only to people you know and trust.
- FACT: You should never make donations in cash. Debit cards transactions are easier to trace for the purposes of a lawsuit or criminal complaint.
- FACT: If the account raising money belongs to a “charity,” you can search for the charity through the IRS or Kentucky Attorney General’s website to confirm it is real.

Price Gouging

After a natural disaster, you’ll often hear reports of “price gouging.” Price gouging is a real problem, but it’s often misunderstood.

What it is not:

A general, reasonable fluctuation in the price of groceries, gas, and other everyday items that by chance occurs during a disaster.

What it is:

An unreasonable increase in the price of certain goods related to disaster response and recovery, such as food, water, medicine, emergency supplies, gas, and building materials, during an active disaster.

Kentucky law states that an increase in the price of these goods by ten percent (10%) or more during an active disaster might be price gouging.

If you think price gouging is taking place, report it online at ag.ky.gov/pricegouging.

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Print

Table of Contents

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