AppalReD Legal Aid
Disaster Information Sheet

Fraud and Scam Prevention

Disaster Intake Hotline 1-844-478-0099

www.ardfky.org

This sheet offers general information. It is not legal advice. Each situation is unique. Please speak with an attorney for advice specific to your case. **If you cannot afford a lawyer, you may call our Disaster Intake Hotline at 1-844-478-0099 to apply for legal aid services. We never charge for services.**

Preventing Fraud and Scams

Some people take advantage of disaster survivors by attempting to steal their identities or scam them. Scammers particularly target elderly people and unfortunately communities after a disaster. 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: 1-866-223-0814
For other scams, file an online report with the
Kentucky Attorney General: https://www.ag.ky.gov/Pages/default.aspx or call 502-696-5485

Common Scams

Every situation is unique and it is often difficult to sort out what is fact and what is not. If you are not sure whether a call or a visit from someone is a scam, get more information before making major decisions or giving out your personal information.

Scam #1: FEMA Cash Payments

SUSPECTED SCAM: You receive a call from someone claiming to be 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 your account."

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

Scam #2: Contractor Fraud

SUSPECTED SCAM: A person claiming to be a contractor comes to your home after a disaster. The person says they need money today. You pay them up front and never hear from them again.

FACT: You have the right to say no to people who come to your home. Check them out first. You can take their contact information and let them know you will follow up with them if you decide you want to use their services. Do your research before paying any money.

AppalReD Legal Aid
Offices in Barbourville, Hazard, Pikeville, Prestonsburg, Richmond, and Somerset
www.ardfky.org

Scam #3: Crowdfunding Charity Scams

A friend shares a link on Facebook to a crowdfunding page that allegedly belongs to a single mom who lost her home in a flood. You donate $50 online. Several weeks later, you hear from your friend that the woman running the page lives in a different part of the state and used the money to buy a new phone and a trip to Las Vegas.

FACT: It is difficult to verify the accounts and stories posted on crowdfunding sites. Consider donating only to people or organizations you know and trust or by doing a little research to get more information before sending money. You can verify an organization is a non-profit online at https://www.irs.gov/charities-non-profits/tax-exempt-organization-search.

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:** 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. **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. 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 to the Attorney General's Office online at https://www.ag.ky.gov/Pages/default.aspx or call 1-888-432-9257.

Useful Tips to Prevent Fraud and Scams

- Ask for a written contract (on paper) before the work begins. Make sure the contract sets out what work will be done, when it will be completed, and how much it will cost. Ask for time to review the contract and then sign it later. Don't pay for all the work upfront.
- Be protective of your debit card. It can be difficult to get money put back into your bank account after fraud. If you believe you have been a victim of fraud and have lost money via a debit card or check, contact your bank immediately.
- Be protective of your credit card and credit card information. If you feel uneasy or suspect something isn't legitimate, stop and research further. Call your credit card company if you see a charge that you didn't authorize.
- Research the contractors you are considering. Check them out on the Better Business Bureau website https://www.bbb.org/. Read other online reviews about the contractor.
- If you have insurance, ask your insurance adjuster for an estimate of repair costs and recommendations for local reputable contractors.
- Ask for proof of licensure for services requiring licensing, such as electrical, gas, plumbing, and HVAC. Ask for proof of insurance. Reputable contractors will have insurance and will be able to provide proof of coverage easily.
- Be suspicious of a contractor who asks you to sign a release and contract to give up your insurance claims or who tells you, "I'll take care of it" or "You don't need to file a claim." When in doubt – research and investigate further.