

THE TEAM, OUR MISSION AND GOALS

- The team started as a collaborative effort between the Texas Department of Insurance (TDI) Criminal Fraud Investigators and Special Agents with the National Insurance Crime Bureau (NICB).
- Our mission: Aid communities, city officials, insurance companies and law enforcement by providing education and suggestions to lessen the likelihood of contractor related fraud.
- Our goals :
 - Let local authorities know that public service announcements will run, warning citizens of contractor fraud.
 - Serve as intermediaries between the insurance industry catastrophe teams and local authorities.
 - Share storm aftermath protection information with local authorities and the public.
 - Serve as a proactive anti-fraud unit to protect the residents of the impacted communities.
 - Provide educational forums to the public.
 - Offer prosecutorial assistance for contractor and insurance fraud.



HISTORY

Just one week before the tornados hit three North Texas counties, the team met for the first time to attend training on roofing best practices. We had individuals from the insurance and roofing industries provide training. We were able to learn the right way to install on a roof, and how it is estimated, and how fraud could be committed.

The plan was to prepare and train over the next few months, order catastrophe brochures, write down our mission and objectives, prepare PSAs, and create educational PowerPoints.

WELL...



ONCE INITIAL CONTACT WAS MADE

- Contact the senior patrol officer on duty at the local police department and explain who we are and our goal.
- Get maps from the city of the damaged area.
- Contact PD Records, obtain copies of current solicitation requirements and copies of the city ordinance.
- Contact building inspectors to determine current procedures.
- Contact city manager/mayor, make recommendations. (This also took place via senior officers at the PD/EOC.)
- Provide anti-fraud literature and PSA wording suggestions.



SUGGESTIONS WE MADE

Solicitation

- No permits to those from outside of the DFW area for two weeks. Sex offender, background, and warrant checks on all applicants.
- Post requirements on the city website.

Building

- Each contractor should be registered, DL / ID required.
- Every member of the construction crew should be registered.
- Vehicle license plate number should be on the permit.
- No permits / registration to contractors from out of the DFW area for a two week period.
- Any roof repairs should require a building permit.
- Proof of liability and workers' compensation insurance.
- Post the requirements on the city website.

KNOW WHO IS ON YOUR ROOF.



SECONDARY ACTIONS

- NICB PSA released.
- PSA documents sent to PD/EOC for inclusion in city releases.
- Local media involvement.
- News releases relating to TDI /NICB.
- Use of local PD dispatch / assigned officers.
- Visit all insurer “CAT” trailers.
- Patrol areas affected, approach homeowners to discuss problems associated with fraud following a disaster, help homeowners make educated decisions.
- Discuss the types of fraud encountered with city officials and the public.
- Participate in public speaking engagements.
- Refer homeowners to the TDI Consumer Help Line.



IMPACT

- Contractors reporting other contractors.
- Built relationships with contractors.
- Building inspectors reporting contractors.
- Patrol officers contacting us for guidance.
- Residents being assertive and confident with contractors, making informed decisions.
- Residents calling us directly.
- Walking / driving through neighborhoods and being recognized.
- TDI/NICB team activity being posted on the cities' and on a state representative's websites.
- Multiple speaking engagement requests.
- Permanent changes being made to city requirements for building permits and solicitation permits.



SEPTEMBER 2017: HURRICANE HARVEY

- Widespread damage over a vast area of the state. Multiple teams deployed.
- Loss of power, contaminated drinking water, loss of water pressure.
- Teams had to be sensitive to the immediate needs of the community.
- Worked directly with local police departments.
- Increased visibility with social media, Facebook live.
- Approximately 17 presentations to the public at the request of city officials.
- Steps taken to implement recommendations permanently.
- Increase in speaking engagement requests, word of mouth referrals.
- We found that the biggest impact is created with education. Passing our knowledge to law enforcement, and spending time educating members of the public. Both of whom, in turn, pass on this education.

tdi | Harvey Scam Alert:

THE SCAM:

Someone offers to help you, but there's a fee to file your claim.

WHAT TO DO:

Don't provide any personal info!
There's no fee to file any claim.



SOLICITORS AND CONTRACTORS

- Know your city's local ordinance.
 - Benefits of permit: Background check and registration with the city – know who is in your town.
- If someone is going door to door without a visible permit, do not hesitate to contact local law enforcement.
- REMEMBER: If you didn't request it, reject it.



- Are building permits required within your city?
- Are contractors required to be registered with the city?
- Can the contractor you have selected obtain the required permits?
- Check the requirements of your city and know who is on your roof.



City of Rowlett
 3901 Main Street
 Rowlett, TX 75088
 (972) 412-6125

PERMIT NUMBER
Issue Date: 01/08/2016

Permit Type: **Building-Residential Remodel/Accessory**

Parcel Number	Street Address
Zoning	County
	Dallas County

Owner Information	Applicant
Name: _____ Phone: _____	Name: _____ Phone: _____

Contractor Information	All contractors/trades will populate below
General Contractor: _____	

Building Information
Work Class: Roof

Scope of Work:
 TORNADO REROOF

The permittee hereby agrees to comply with all applicable zoning regulations and building codes regulating the work. The inspection request line number is (972) 412-6137. All inspection requests recorded by 4:00 p.m. on any business day will be inspected the following business day. AM/PM requests cannot be honored.

ANY PERMIT ISSUED EXPIRES SIX (6) MONTHS AFTER ISSUANCE IF NO INSPECTIONS HAVE BEEN MADE.

Number	001835-2016-RREM	TOTAL FEES:	\$50.00
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CITY OF ARANSAS PASS
 Building Department

Occupation or registration receipt

Registration Number [REDACTED]

This is to certify that [REDACTED] having paid to the City of Aransas Pass, Texas the amount of \$100.00 as city occupation registration fee, is authorized to pursue the occupation of contractor.

For the period of 12 months, commencing the 24th day of October, 2016 and ending the 24th day of October, 2017.

Issue Date: 10/24/2016

 Building Department

CITY OF ARANSAS PASS – BUILDING DEPARTMENT
 601 N Avenue A, Aransas Pass, TX 78336 / (361)758-3111 / fax (361)758-1309



BE AWARE

- Be cautious of selecting your contractor from someone coming to your door uninvited.
- Do not select a contractor from business cards on your door.
- Try and use a local contractor if possible.
- If you make a deal with the contractor for any additional work not included in the insurance claim, make sure you know all the details.
- A reputable company should be able to afford materials so you don't have to pay everything upfront.



ADDITIONAL CONSIDERATIONS

- Do not feel pressured into signing any documents/contracts – if you have ANY concerns, research the company and ask for references.
- Get everything in writing – cost, work to be done, time schedule. Do not sign if there are blanks in the contract.
- Use Better Business Bureau and search engines.
- How many years has the contractor been in business? Place of business? DFW area?
- Who is going to be on your roof? Who is the Supervisor?
- Check up on progress – are they doing the work you are paying them for?
- Are they members of any type of professional association?
- Any warranty? (If out of state, who will conduct any warranty work?)
- It's a good idea to obtain multiple bids.
- Who is paying the deductible?
- Are they willing to work with insurance company in submitting any supplements? Remember, your contractor cannot also negotiate your claim.
- Have they asked for any upfront money?
- Is the company insured? Liability and workers compensation?



TYPES OF “SCAMS”

Occurring during solicitation

Liability waiver to tarp the roof:

The waiver turns out to be a contract for the roofer to not only tarp the roof but complete the repairs.

\$500 to tarp:

The homeowner pays \$500 and never sees the roofer again.

Solicitor has the homeowner agree to roof repairs and completes a contract:

The contract has sections not completed when it is signed by the homeowner. Once it is signed inflated figures are added to the originally agreed price.

“Homeowner agrees to the listed repairs for the value of the insurance proceeds.” This is ALL of the insurance check. Often the contractor is not repairing everything that was estimated for. Windows, AC, electrical outlets, garage door and brick work may be items you are being paid for but not included with the Roofers contract.

Waiving deductible:

Rofer offers to absorb your deductible. Be aware that there may be items that will not be replaced to the value of the deductible.



Occurring during the repair process

Large down payment, or full payment:

Larger companies have operating funds. Do not make large or full payments.

Materials are delivered, and the job is completed:

Contractor did not pay the supplier for the materials.

Contractor begins the work and abandons it:

Contractor begins the work and leaves it incomplete, no refunds. Issue is this becomes a civil dispute.

Materials used are substandard:

Materials used may be seconds and defective.

Items may be repaired:

Some items listed for replacement may unknowingly be repaired and painted to give the impression that they have been replaced.

Items not replaced at all:

This is common with drip edge and flashing.

Roofer uses lighter weight shingles/underlay:

The estimate lists the type of underlay to match the grade of the roof and weight of the shingle. Roofer may also substitute synthetic felt for cheaper lighter felt.

Contractor contacts the homeowner's insurance company and submits final invoices or supplements:

The contractor may submit a supplement to the insurance company for additional funds. A contractor could also submit a full and final invoice to the insurance company for release of depreciation prior to the repairs being completed without the homeowner being aware of the submissions.

