

The Regulated Industries Complaints Office (RICO) warns consumers to use caution when hiring a contractor to repair or rebuild your home.

Unscrupulous, unlicensed contractors often prey on victims of natural disasters, taking advantage of homeowners who are anxious to rebuild.

While you may feel the need to begin rebuilding as quickly as possible, we ask that you read and consider the following:

**HAWAII STATE LAW REQUIRES** that any construction work where the total value of labor and materials is more than \$1,000 must be performed by a licensed contractor.

Although you may be anxious to have somebody start work, licensed are required to carry liability insurance and are responsible if a worker is injured on a jobsite. This protects you as a homeowner from putting your property at risk if anything is damaged on your project or if anyone is injured.

A contractor's license is also required for any job that requires a building permit. Although you may want to start work right away, you may, at some point, need to get a building permit. Licensed contractors are able to apply for and obtain building permits. If you hire an unlicensed person, you may end up permitting your project with an "owner-builder" permit, or hiring a licensed contractor to pull an "after-the-fact" permit for you. For information about building, electrical, and plumbing permits, contact the planning and permitting department for your county.

**HAWAII STATE LAW ALSO REQUIRES** any electrical work must be performed by a licensed electrician. Any plumbing work must be done by a licensed plumber.

1. Before signing any contracts, make sure the contractor is licensed.
2. Only hire licensed electricians and plumbers.
3. Be careful of any contractor, electrician, or plumber who can't provide proper identification.
4. Talk to more than one contractor.
5. NEVER sign over your insurance check to a contractor.

**BEFORE SIGNING ANY CONTRACTS**, make sure the contractor is licensed. Confirm the contractor is licensed and has the necessary insurance coverage to operate. Verify the information with RICO at (808) 587-4272, on line on the RICO website, or in person at a RICO office.

**BE CAUTIOUS OF...**Any contractor who does not provide proper licensing identification, does not have a permanent place of business, cannot provide references or insists on a large payment before starting work.

**GET ESTIMATES** – Talk to more than one contractor. Make sure the estimates are based on the same work and the same materials. Getting estimates is a good way to find out if the work the contractor is proposing to do is really necessary.

**AND REMEMBER, NEVER sign over your insurance check to a contractor!**

**DON'T LOSE MORE THAN YOU ALREADY HAVE**

**If my project is only for minor repairs, can I hire a handyman or handyperson?**

If the total cost of your project, including labor and materials is less than \$1,000, and doesn't require a building permit, you can hire a handyman. "Handymen" usually perform minor repairs and projects that are typically described as "odd jobs" or "fix-up tasks." Regardless of the cost of your project, you may still want to consider hiring a licensed person

**Unlicensed contracting is a crime. Unlicensed contractors face additional penalties during a natural disaster.**

The penalties for unlicensed activity include fines, imprisonment, and injunctive relief. Any person who acts as an unlicensed contractor in connection with the offer or performance of repairs for damages caused by a natural disaster, is subject to additional fines of \$10,000, imprisonment of one year, or both. (Hawaii Rev. Statutes § 444-10.6(e)).

**To Check a Licensee:**  
**Call RICO's Consumer Resource Center at (808) 587-4272 or go online at [cca.hawaii.gov/business\\_online](http://cca.hawaii.gov/business_online).**

**RICO Offices are located:**

- Honolulu - 235 S. Beretania St., 9th Floor
- Hilo - 120 Pauahi St. Suite 212
- Kailua-Kona - 75-170 Hualalai Rd. Rm C309
- Wailuku - 106 Lower Main St. Suite C216

## How do I know a contractor is licensed?

Each year, RICO receives hundreds of tips and complaints about unlicensed contractors. The complaints range from construction that has been poorly done, to money being taken and no work being done at all.

Unlicensed contractors may go door-to-door claiming they “just finished a job down the street,” or “have materials left over from another job.” They may try to pressure you, offering a discounted price, but only if you act today. Remember, a great deal today, will probably be just as good a deal tomorrow, so take the time you need to consider the situation carefully.

Unlicensed contractors may even use a fake license number or a license number that belongs to someone else. So remember to check license information with our office. You may also want to ask to see a picture I.D. so you know exactly who you’re dealing with.

And, most importantly, remember... *never pay all of the money up front.* Unlicensed contractors may ask for cash payments, substantial down payments, or for all of the money to be paid in advance. After they get the money, they may move a little dirt or, worse, demolish a wall or driveway, and not come back the next day.

Your home is the single biggest investment you'll probably ever make, so take your time, do your homework, and consider hiring a licensed contractor.

*Unlicensed contracting and violations of Hawaii's licensing laws are investigated by the Regulated Industries Complaints Office (RICO). To check licensing status or for information about hiring a licensed professional, call the Consumer Resource Center at 587-4272 or visit the State's website at [cca.hawaii.gov/rico](http://cca.hawaii.gov/rico).*

## RESOURCES

The Department of Commerce and Consumer Affairs (DCCA), and its Regulated Industries Complaints Office (RICO), offer tools, tips, and services you can use to check out an individual or business. Information is available by calling **(808) 587-4272** or online at [cca.hawaii.gov/business\\_online](http://cca.hawaii.gov/business_online).

For information about filing a complaint or to report unlicensed activity, call RICO's Consumer Resource Center at **(808) 587-4272** or visit us online at [cca.hawaii.gov/rico](http://cca.hawaii.gov/rico).

Neighbor island residents can dial the following numbers then 7-4272 followed by the # sign:

Kauai.....	274-3141
Maui.....	984-2400
Hawaii.....	974-4000
Lanai & Molokai.	1-800-468-4644

RICO is the enforcement arm for over 45 professional boards, commissions, and programs that are administratively attached to the Department of Commerce and Consumer Affairs. RICO receives complaints, conducts investigations, and prosecutes licensing law violations. RICO also prosecutes unlicensed activity through the issuance of citations and by filing civil lawsuits in the Circuit Courts. RICO works to resolve consumer complaints where appropriate and provides consumer education about various issues relating to licensing and consumer protection.

*This brochure is for informational purposes only and not intended for the purposes of providing legal advice. Information provided is subject to change. Printed material can be made available for individuals with special needs in Braille, large print or audio tape. Submit requests to the RICO Complaints and Enforcement Officer at 586-2666.*

# Hiring a Licensed Contractor After Disaster Strikes



**235 S. Beretania Street, Ninth Floor  
Honolulu, Hawaii 96813  
[cca.hawaii.gov/rico](http://cca.hawaii.gov/rico)**