



## Regulated Industries Complaints Office

235 S. Beretania Street, Ninth Floor

Honolulu, Hawaii 96813

[cca.hawaii.gov/rico](http://cca.hawaii.gov/rico)

# HIRING A LICENSED CONTRACTOR AFTER DISASTER STRIKES

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 \$1,500 must be performed by a licensed contractor.

Hawaii law requires licensed contractors carry liability insurance and be 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.

**GET IT IN WRITING.** Get everything in writing including a detailed description of the work to be done, the cost, a start and end date, and payment schedule. Never pay all of the money up front or sign over your insurance check. Never sign a contract with blank spaces, and don't be pushed into signing a contract right away.

**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.

**ASK AROUND.** Try to talk to more than one contractor. Make sure you're talking about the same work and the same materials. Talking to more than one contractor may be a good way to find out if the work the contractor is proposing is really necessary.



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.

**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 \$1,500, 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 contractors face additional criminal 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 Revised Statutes §444-10.6[e]).

**How do I know a contractor is licensed?** CALL RICO's Consumer Resource Center at **(808) 587-4272** or online at [cca.hawaii.gov/businesscheck](http://cca.hawaii.gov/businesscheck).

RICO offices are located at:

- Honolulu at 235 S. Beretania Street, 9<sup>th</sup> Floor
- Hilo at 120 Pauahi Street, Suite 212
- Kailua-Kona at 75-170 Hualalai Road, Suite C-309
- Wailuku at 1063 Lower Main Street, Suite C-216
- Lihue at 3060 Eiwa Street, Suite 204

### **Watch Out for Unlicensed Contractors!**

Each year, policyholders receive money from insurance companies to rebuild their homes and businesses. Unfortunately, those claim dollars can attract unscrupulous individuals looking to take advantage of people even when they're down.

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 by offering a discounted price, but only if you act today. They may use inferior materials, perform poor work, or pocket the payment without finishing (or starting) any work at all. They 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.

Unlicensed contractors may even use a fake license number or a license number that belongs to someone else, so verify 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.

Remember, don't allow yourself to be pressured...a great deal today will probably be just as good a deal tomorrow, so take the time you need to consider the situation carefully. And, most importantly, remember...**never sign your insurance check over to a 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/businesscheck](http://cca.hawaii.gov/businesscheck).

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

To call Oahu-RICO, dial the following toll free numbers: Kauai 274-3141, extension 74272; Maui 984-2400, extension 74272; Big Island 974-4000, extension 74272; Molokai and Lanai 1-800-468-4644, extension 74272, followed by the # sign.

*This brochure is for informational purposes only and not intended for the purposes of providing legal advice. Information provided is subject to change. This material is available in alternate formats including large print. Submit requests to the RICO Complaints and Enforcement Officer at 586-2666.*