



CONSUMER ALERT

Colorado Department of Law
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ATTORNEY GENERAL WARNS CONSUMERS THAT FIRES BRING OUT THE SCAM ARTISTS

DENVER – The wildfires in Colorado also threaten to spark a host of fraudulent activities by scam artists. [Colorado Attorney General John W. Suthers](#) is warning consumers not to be exploited by these scams and to report any suspicious activity. The typical scams range from fake charity collections, to home repair and construction fraud. Consumers may also experience problems with their insurance company or mortgage lender during these difficult times and are urged to report deceptive practices by calling the Attorney General’s Consumer Complaint Line at 800-222-4444 or [filing an online report](#).

One particularly concerning activity involves charitable giving. Reputable organizations like the American Red Cross do not solicit charitable contributions this way. People should donate directly to known organizations and be wary of supporting sham groups.

“We need people to report scams that prey on their good intentions so we can stop these practices.” explained Suthers.

Another common problem involves home repair fraud. After natural disasters, scam artists posing as door-to-door repairmen, contactors or handymen will pressure consumers into signing up for great deals on home repairs. Check with the [Better Business Bureau](#) and ask for written contracts and reference “People should be skeptical of anyone who shows up at their doorstep offering discounted home repairs and never

enter into contracts based on a door-to-door sales pitch. If a deal sounds too good to be true, it probably is,” advised Suthers.

Insurance fraud takes many forms and most insurance companies employ their own adjusters to evaluate property damage and assist in filing claims. However, in Colorado consumers can also hire their own adjusters to help negotiate insurance payments. Some of these public adjusters will charge an exorbitant fee for their services and then disappear. Others may refer homeowners to disreputable contractors from whom they get a kickback leaving the homeowner with shoddy repairs.

“Consumers should not be fooled by these con artists who gain their trust and personal information like Social Security and credit card numbers to then commit identity theft,” warned Suthers.

Mortgage fraud is another type of scam that can take various forms and of which consumers need to be aware. As consumers grapple with the costs of losing their homes, they should not fall victim to finance companies that offer to consolidate debt or refinance existing loans. Unscrupulous lenders will pressure homeowners into transactions with high processing fees.

“Predatory lenders strong arm people into refinancing at terms and rates they can’t afford. People need to ensure they are not borrowing more money than they can repay,” urged Suthers.

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