



District Attorney's Office - 18th Judicial District

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Consumer Alert

Colorado is a BIG HIT . . . For Fly-by-Night Roofing Scams

Two things are inevitable this time of year in Colorado - hailstorms, and "storm-chasers", dishonest roofing contractors who show up at the door the morning after a storm. While it may seem convenient to choose a door-to-door contractor, nearly all of the roofer complaints received by the district attorney's office involve such fly-by-night operators looking to swindle unsuspecting homeowners, especially elders. The first line of defense is to know what to look for when choosing a reliable contractor, which means never making a hasty decision. If you suspect hail damage to your roof or home, contact your insurance company first to get an estimate. Ask for a list of approved contractors, then check to verify that the information on these businesses is up to date. Insurance companies don't always have the most current information.

Items to check for:

- Is the company registered to do business in the state? Check to see how long each company has been in business, and if they have a permanent address. This information can be obtained on the Colorado Secretary of State website at: <https://www.sos.state.co.us>
- Is the business licensed to do work in your city or county? Get the license number of each business and verify the numbers with the building department in the city/county where the work will be performed. Contractors cannot pull a building permit unless they are licensed.
- Is the businesses insured and bonded? How many employees are covered under the policy? It should reflect an adequate number of employees for the work that needs to be done. Ask for proof of insurance. The Colorado Roofing Association maintains a listing of member businesses that are current with this information at: www.coloradoroofing.org
- Get a referral list and contact recent customers. What do they say about the business, and how did the business respond to complaints? The Better Business Bureau website is another good source of information: <https://www.bbb.org/denver>.
- Get estimates from each of the companies and compare costs before making a decision.

Factors to consider regarding contracts:

A work order is not sufficient. The formal agreement should be an actual contract that conforms to the requirements under Colorado Senate Bill 38 – legislation that was signed into law in 2012 to protect consumers from fly-by-night roofers. Among other details, Senate Bill 38 requires an itemized scope of services and corresponding cost estimates; beginning and ending dates; contract cancellation /rescission clause(s); and a requirement that the contractor hold the insurance money in trust until such time that roofing materials are paid for and delivered and the bulk of the work completed. More information on Senate Bill 38 can be found at: <https://www.bbb.org/denver/news-events/news-releases/2017/05/noroofscam-campaign-fighting-roofing-fraud-in-colorado-during-severe-weather/>. Never sign a contract that you don't fully understand.

One last point: if a damaging hail storm hits your neighborhood, consider reaching out to protect an elder or at-risk neighbor, especially someone who lives alone. Oftentimes, letting an unscrupulous contractor know that someone is paying attention can effectively stop a scam.

DA – 18th Consumer Protection Line: 720-874-8547