

## The 'Fraudulent' Home Improvement Contractor

**H**as your home improvement contractor caused damage to your home? Has he left the work unfinished or has he caused you to redo his work? Or, are you a home improvement contractor that is unfamiliar with the laws that govern your business practices?

Victimized homeowners may be entitled to TRIPLE DAMAGES (three times the amount of cost to repair or redo the work), PLUS ATTORNEYS' FEES. The New Jersey Consumer Fraud Act (the "Act") subjects these contractors to strict laws for their contracts with homeowners and the work they perform on homeowners' homes. These laws were meant to prevent the unwary homeowner from being victimized by negligent and fraudulent contractors.

Even though fraud may not have been committed by the contractor, the Act provides that homeowners may recover TRIPLE DAMAGES PLUS ATTORNEYS' FEES in the following situations so long as the homeowner (or homeowner's attorney) proves that the contractor's violation of the Act caused the damage to the homeowner:

1. Failure to provide home improvement registration information.
2. Failure to provide contractor's insurance information.
3. Failure to have a written contract (written estimates may not be sufficient).

by **Darren M. Baldo, Esq.,  
CPA, LLM**

4. Failure to state start dates and completion dates.
5. Failure to complete the work within a contracted time period without proper reason or cause and a written extension of the time.
6. Failure to obtain proper licenses, i.e., electrical licenses, prior to performing work.
7. Failure to obtain proper permits, i.e., building permits, prior to performing work.
8. Seeking payment before it is due under the terms of the contract or payment in full before the work is complete.
9. Failure to complete the work within scheduled time or at all.
10. Substituting materials for lesser quality materials than promised or warranted.
11. Failure to list certain products in the contract.
12. Attempting to charge additional money without having a written and signed change order.
13. Failure to state homeowner's three-day right to cancel contract in at least 10-point bold type print.
14. Poor workmanship that causes homeowner to repair and/or replace goods and services.

Even though there may be good and qualified contractors out there, many contractors continue to violate the Act. They still need to revise their existing contracts and practices in order



to comply with the Act. Both the homeowners and home improvement contractors ought to try to work together to make sure all of the above contract matters are addressed in the written contract to ensure compliance and avoid misunderstandings and litigation. If the contractor gives you a difficult time about these items, then take the time to seek out and hire another contractor. And, of course, call my office if you were victimized by any of the above-listed violations of the Act or if you're a home improvement contractor who needs to revise your contracts.

*Darren M. Baldo, Esq., CPA, LLM is an attorney who focuses on litigation, contracts, collections, bankruptcy, wills, trusts, estates, employment law and taxation. Visit [www.dbaldolaw.com](http://www.dbaldolaw.com) for more information or call 609-799-0090.*

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***Homeowners victimized by negligent and fraudulent contractors may be entitled to triple damages and attorneys' fees under the New Jersey Consumer Fraud Act.***

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