

NEWS RELEASE

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CONSUMER ALERT NEVADA STATE CONTRACTORS BOARD WARNS HOMEOWNERS AND MATERIAL SUPPLIERS OF NEW PAYMENT SCAM

LAS VEGAS and Reno, Nev. – In an effort to protect the public, the Nevada State Contractors Board is cautioning consumers against paying significant down payments upfront for materials or other project costs prior to work being performed. Recent complaints filed against unlicensed contractors indicate that payments are being made to contractors via Zelle and other bank-draft methods to purchase materials for their project. The unlicensed contractor purchases the supplies using a check, has the materials delivered to the consumer's property and quickly cancels or stops payment on the check without performing any work on the project.

"Make no mistake, the unlicensed individuals performing this scheme are performing fraudulent acts and will be pursued criminally by the Nevada State Contractors Board when we are able to validate complaints from consumers," stated Executive Officer David Behar. "We urge material suppliers to consider added precautions when accepting check payments to better protect their business and ask homeowners to always verify they are hiring a licensed contractor and understand the rights under the law, which includes limitations on downpayments amounts to no more than \$1,000 or 10% of the contract value, whichever is less."

To verify a contractor's license, consumers should visit the NSCB website, www.nscb.nv.gov, download the NSCB mobile application or call the Board's offices directly. It is important consumers look at the status of a license to ensure it is in an "active" or good standing, review any disciplinary actions taken, as well as verifying the contact information and license classification details mirror what was provided on any contract or documentation provided by the contractor.

Consumers can protect themselves by reading through the resources available online and watching for these red-flag warnings:

 No contractor's license number and/or contractor information does not match the NSCB's website.

- Aggressive sales tactics and pushy 'today-only' pricing.
- Demands for large down payments or cash-only payments.
- Failure to put the terms of a project in writing.

Individuals have up to four years from the start of a project to file a complaint when they hire a licensed contractor and up to two years when the contractor is unlicensed. Consumers should know that a business license is separate from a contractor's license and does not afford the same protections of the Nevada State Contractors Board, which may include an investigation into the concerns, orders to remedy substandard workmanship, disciplinary actions against the licensee or eligibility to file a claim with the Residential Recovery Fund, which can award up to \$40,000 in financial recourse based on validated damages.

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The Nevada State Contractors Board is committed to ensuring the integrity and professionalism of the construction industry in Nevada. The NSCB has the responsibility to promote quality construction by Nevada licensed contractors through a regulatory licensing system designed to protect the health, safety, and welfare of the public. For more information about the Nevada State Contractors Board, please visit www.nscb.nv.gov.

Follow the Board on <u>Facebook</u>, <u>Twitter</u>, <u>LinkedIn</u>, and <u>Instagram</u>.

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