Resources and Reporting

If you suspect contractor fraud, there are resources that can help.

To report suspected activity...
Request an investigation at RLD.nm.gov/CID
or email CID.Compliance@rld.nm.gov.

The New Mexico Disaster Case Management team can also support you. For more information, call (505) 670-4662.

Avoiding Fraud and Abuse: A Guide for Hiring Contractors

Learn how to avoid contractor fraud and take steps to prevent fraud if you suspect it.
**RED FLAGS**

Be aware if your contractor…

- Asks for full payment up front or in cash only.
- Shows up unsolicited.
- Offers you payment or a gift card for a free inspection.
- Does not provide you with written documents (e.g., by email, mail).
- Does not have a fixed business location or uses unconventional places like a P.O. Box for their address.
- Does not allow you to review the contract or agreement.
- Asks you to sign over your insurance and/or compensation checks.

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**Steps to Prevent Contractor Fraud**

- **Research potential contractors thoroughly.**
  Ask for referrals, and check reviews through organizations like the Better Business Bureau at www.BBB.org.

- **Get quotes from multiple contractors**
  Multiple quotes can help you check that you are getting a fair price.

- **Trust your instincts.**
  If something doesn’t feel right, take caution. Don’t be afraid to walk away if you become uncomfortable.

- **Do your homework.**
  Verify that a contractor has valid insurance coverage. Failure to have the right coverage could leave you responsible for accidents that occur on your property.

- **Ensure that the contractor obtains permits**
  Do this before the project work begins. The contractor should never ask you to obtain any permits. Working without proper permits can lead to costly fines or legal issues.

- **Set a payment schedule.**
  Avoid paying the full amount up front. Instead, establish a payment schedule tied to project milestones, and withhold final payment until you’re satisfied with the completed work. If possible, pay with a credit card.