

RISK ADVISORY

To: Pastors, Administrators, Business Managers
From: Office of Risk Management
Date: September 16, 2022
Re: Unscrupulous Contractors

One of our parishes was recently approached by a contractor from a legitimate and well-known paving company who was resealing the driveway of a residence next door to the parish. The contractor noted that since he was in the neighborhood, he could reseal the parish's driveway at a discount and provided a verbal quote, to which the pastor agreed. Before finishing the driveway, the contractor noted that he could also reseal the parking lot and other areas for a discount. Without receiving the express approval or a signed contract from the pastor, the contractor completed the work and attempted to obtain payment for the full estimate. The pastor subsequently learned that the contractor was charging \$13,000 more than what other paving companies would have charged and immediately notified the local police.

We urge you to be mindful of predatory contractors and to take the following precautions when selecting construction, building, paving, and maintenance providers:

- Confirm that the company is legitimate and properly licensed and identify the physical location of the main office. *Note that even if the company is legitimate, the individuals may be unethical.*
 - Avoid contractors who only have a P.O. Box address or only a cell phone number.
 - Request a Certificate of Insurance to ensure that funds are available in the event something goes wrong due to the contractor's negligence. Verify that the contractor has an appropriate level of liability, property, and workers' compensation insurance. For more information, go to: <https://rcabrisk.org/knowledgebase/certificates-of-insurance-a-primer/>
 - Ask for and check references. Avoid contractors who don't have references or whose references can't be reached.
- Make it clear that:
 - No work is to be commenced without express authorization and a signed contract. Avoid contractors who tell you there's no need for a written contract. By MA law, all contracts for \$1,000 or more must be in writing, but it is imperative to get a written contract even for smaller projects.
 - No additional work, beyond the agreed upon scope, is to be commenced without express authorization and approval of the cost.
- Consider obtaining at least two competing estimates.
- If you have concerns about the legitimacy of the company or individual, or they attempt to charge for work done without express authorization, contact your local police.

For more information about contractors, go to: rcabrisk.org/knowledgebase/hiring-a-contractor/

If you have any questions or concerns, please contact:

- The Office of Facilities Management at 617-746-5986
- General Counsel at 617-746-5680