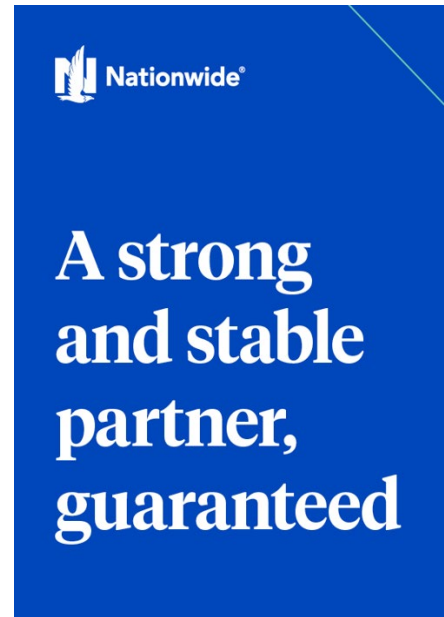


## How contractors can protect themselves from surety bond fraud

The construction industry depends upon the protection provided by surety bonds, guaranteeing performance and payment obligations. Unfortunately, fraudulent bonds do exist in the marketplace, negatively impacting owners, general contractors, subcontractors, and suppliers who rely on the security the bond provides. If a fraudulent bond is only discovered after an issue arises, all parties may face significant financial consequences. Parties relying on a surety bond should do their due diligence, starting with review of the bond for irregularities, including signs of alteration of the bond or Power of Attorney. If possible, review of a prior bond from the same surety, specifically including comparison of the Power of Attorney documents for consistency, is a good way to identify potential fraud.



Other red flags that could indicate fraud include:

- No bond number stated
- Missing surety “seal” on the signature page
- The lack of clear, original, wet signatures on behalf of the surety and principal
- Inaccurate information in the bond including the surety name, contractor information, project description
- No Power of Attorney attached designating the signer as “attorney-in-fact” of the surety
- Power of Attorney lacks clear and current signatures, seals, notarizations, and/or bears evidence of potential alteration.

Ultimately, if there are any questions about the authenticity of a bond, contact the named surety directly to verify the bond is authentic. The surety welcomes these inquiries, as it has a strong interest in maintaining confidence in the authenticity of its bonds and the value of the surety product.

Learn more about our [Surety](#) products and appetite.