



Is That Rental Listing Real?

A BBB Study of Rental Scams Involving Apartments, Houses and Vacation Properties

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Introduction

Deciding where to move to live or stay for vacation can be exciting, but it raises many questions. What's the rent? How much is the security deposit? Is it located in a safe area? What are the parking options? Is the unit close to public transportation? Does the property have a laundry facility? When you find an affordable rental home, apartment or vacation home that fits the bill, you may need to take action quickly before someone else gets the unit.

What many people don't think to ask is if the unit really exists or is actually for rent.

Millions of scam listings for apartments, houses and vacation properties dwell online. Property owners regularly report to [Better Business Bureau \(BBB\)](#) that people show up thinking they have a place to stay because they paid money up front and signed an agreement, only to learn that they have been a victim of this cruel scam.

More than 5 million people lost money to rental scams and 43% of online shoppers encountered a bogus listing, according to a recent [survey](#) by Apartment List. With fraudulent listings so common, anyone doing an internet search to locate a place to rent faces a high risk of encountering a bogus listing.

In perhaps the most common type of fraud involving rentals, scammers simply copy the photo and description of a property, post it online with their own contact information and try to get a deposit and first month's rent from the victim.

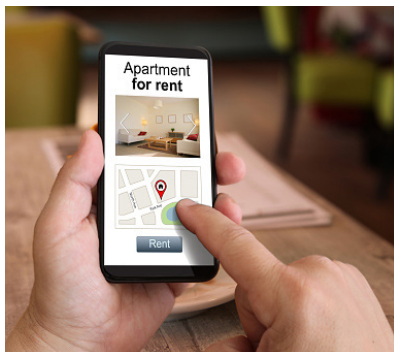
The National Rental Homes Council, a trade association of those who own and rent houses, reports that they hear about these scams regularly from property owners and that it is of growing concern to them.

Since it is unlikely that travelers will be able to inspect a vacation rental in advance, many turn to sites like Airbnb.com, VRBO.com or HomeAway.com to connect with property owners and pay using a secure payment system. But travelers still need to watch out for pitfalls associated with this industry to avoid arriving at a distant location, only to find their money gone and with nowhere to stay.

How common is this scam?

The Apartment List [survey](#) of rental scams, conducted by Igor Popov, a Stanford University-trained economist, found that 85% of those encountering bogus listings did not fall for them. Of the 5.2 million people who did lose money, the median loss was \$400, and one in three victims lost more than \$1,000.

These numbers suggest a tremendous volume of bogus rental listings lurking on the internet. Kijiji, an



online classified ad service in Canada similar to Craigslist, says one of its biggest challenges in fighting fraud is screening fake rentals. A Federal Trade Commission (FTC) case against Credit Bureau Center notes more than 2.7 million people who clicked through fake listings were taken to the website of a deceptive credit monitoring service. No apartments were really available for rent.

Another method of gauging the frequency of rental scams is to look at how many complaints they get from fraud victims. This only produces a very rough measure, since many people file complaints with local police, and those generally do not go into the national databases of the FTC, the FBI or the Canadian Anti-Fraud Centre. And like many types of fraud, most victims blame themselves, want to forget about the unpleasant experience and never complain. In one FTC case involving fake listings, the FTC had identified 500 complaints at the time it filed the case, only to learn later that there were really 168,000 victims. But some numbers are instructive. Complaints to BBB Scam Tracker have increased over the last three years.

BBB Scam Tracker

Year	Number of reports from consumers
2016	345
2017	298
2018	445
Through Oct. 2019	264

Canadian Anti-Fraud Centre

Year	Complaints	Losses
2016	291	\$582,541
2017	574	\$442,043
2018	270	\$400,594
Through May 30, 2019	197	\$137,552

The FBI's Internet Crime Complaint Center (IC3) tracks rental fraud, but timeshare complaints are included in the category containing phony rental listings, making it difficult to separate them. But from January through Oct. 20, 2019, IC3 reports: "The loss associated with the complaints that mention the term 'rent' is \$37,561,457.61."

In spite of the efforts of rental platforms to screen for bogus rental listings and alert users to fraud attempts, huge numbers continue to appear on the internet, and millions of people lose money to them each year.

Who are the victims?

Evidence shows that younger people are most likely to be victims. They have less experience in renting. The Apartment List survey found that those who are 19-29 are 42% more likely to be victims.

Younger people also report more rental scams to BBB's Scam Tracker than do older consumers.



BBB Scam Tracker

Age Range	Rental Scams Reported	All Scams Reported
18-24	15%	7%
25-34	27%	16%
35-44	17%	17%
45-54	15%	17%
55-64	10%	17%
65+	5%	16%
Unspecified	11%	11%

Millennial Duped by Fake Apartment Owner

Leonard's son got a job at a San Francisco technology company and, in July 2019, was looking for an apartment on Craigslist in San Francisco, where Leonard also lived. The son emailed "Harris Griffin," who said he was the property manager. Griffin emailed the son a rental application, then asked for a "refundable holding deposit" and sent photos of the interior rooms of the apartment. The son made two appointments to see the unit, but Griffin canceled both.

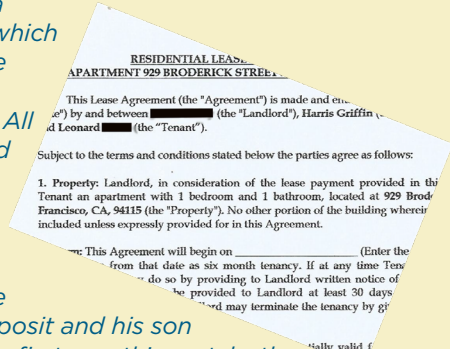
The son signed a lease agreement, which contained a license number for SF Residential Realty. All the documents and emails contained good grammar and looked very professional.

Leonard paid the \$1,600 security deposit and his son paid \$2,500 for the first month's rent, both by bank-to-bank wire transfer to an account specified by Griffin.

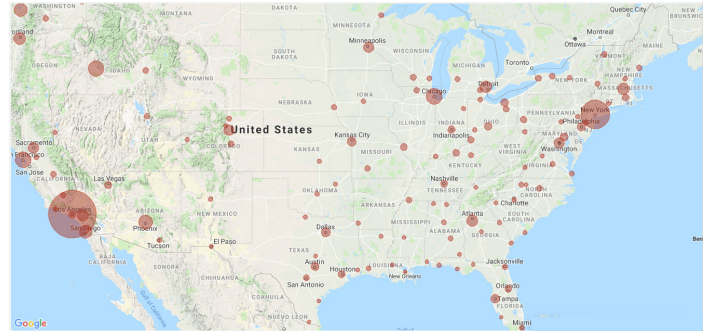
Griffin then sent an email saying that the apartment was no longer available because the building owner wanted to rehab the unit. Griffin said he would refund the money but never did.

Leonard contacted the actual owner of the apartment, Marguerite, who said the unit was not available for rent and that the interior photos were of a different apartment she had rented out earlier. Realizing they had been defrauded, Leonard contacted his bank, which was able to get the \$1,600 security refunded but could not recover the \$2,500 rent payment.

Marguerite filed a complaint with the police, whom she described as reluctant to take a report. She also made a report to BBB.



there are more complaints from cities that are growing rapidly and where housing is more expensive and harder to find such as the San Francisco Bay area, Denver, Phoenix and Seattle. But rental scams operate everywhere in the U.S. and Canada. No town or city is safe from this activity.



Chicagoan Recognized Red Flags

Nick lived with his parents, had a good job and was looking for a townhouse in the Chicago suburb of Minooka. He saw an ad for a townhouse on Zillow, and reached out to "Property Manager Bill Van Asdlen." All communications were by text message. Van Asdlen sent him an application form to complete, which asked for his bank account information, credit card numbers and social security number. Nick wanted to see the townhouse before going ahead with the transaction, and he thought that this was a great deal of personal information to request. Van Asdlen refused to allow Nick to see the place unless he completed the application form, and Nick refused. He filed a report with BBB because this struck him as a scam. He later found a place to live.

How much do people lose?

In 2019, the median loss of victims who reported rental scams to Scam Tracker was \$996. The Apartment List survey found that the median loss was \$400, but one in three victims lost more than \$1,000.

Where do victims find bogus rental listings?

Though newspaper classified ads have not disappeared, people are more likely to turn to free classified listing services such as Craigslist in the U.S., Kijiji in Canada, or Facebook Marketplace. There are large numbers of websites connecting renters with property owners or their property managers, including Apartments.com, Zillow.com, Trulia.com, Realtor.com, and Homes.com, all of which warn about rental scams, as does the FTC.

Rental postings can be copied from one site and the photos and descriptions used to invent bogus listings at another. Most sites use algorithms and filters to try

What cities see the most rental fraud?

Not surprisingly, the largest number of BBB Scam Tracker reports come from the largest metropolitan areas. The top three are Los Angeles, New York and Chicago. Additionally,



Dallas Realtor Flooded with Reports about Hijacked Apartment

Cheri is a broker for a real estate agency in the suburbs of Dallas, Texas. In September 2019, her team posted a client's house on the local Multiple Listing Service from which sites such as Zillow and Realtor.com obtain listings. The vacant three bedroom house had a "for sale" sign in the yard with her agency's phone number.

The next month, people started contacting her about the house, but they thought it was for rent. She learned that someone copied the photo and description of the house used with the listing service and used them in a home rental post on Facebook Marketplace.

People who contacted her said they received responses from the "owner" who claimed he was deaf and could only communicate by text message and email -- which used the name of the actual owner. The fake owner said he initially intended to sell the home but was having trouble with the realtor. The scammer urged prospective renters to go to the house, ignore the "for sale" sign and look through the windows to see the place, since he had moved to Las Vegas and wasn't available to show the house. He offered to rent the house for \$950 per month, less than half of what the rent would be for this location, with a \$950 security deposit. From the scammer, verbatim:

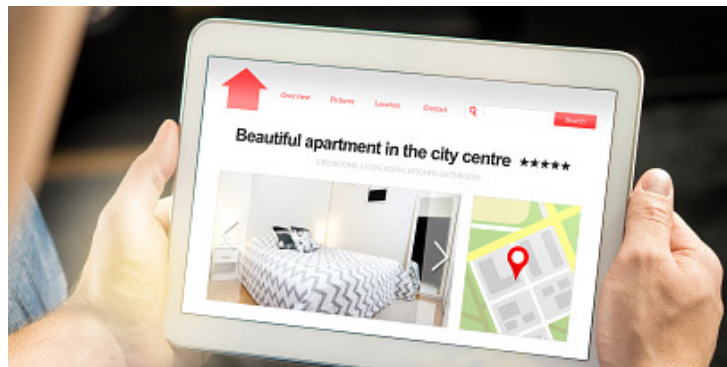
"Hello. Just before we move any further. my initial plan was to sell the house but the agent was not honest with me, he cheat on the tenant by getting higher rent from them and never deliver the money to me. The sale sign board will be removed from the house as soon as I get a tenant, So that people will stop contacting the number on the sign board. We need a responsible person that can take very good care of it as we are not after the money. I am not dealing with the Agents any more they are bad people. This is why I am handling the rent by myself. You deal with me Direct. You do not need to contact any Agent when you get by the house because if you do they will tell you sort of rubbish. THE HOUSE IS AVAILABLE FOR RENT, so you are free to decide on how long you intend occupying it...Rent already includes utilities.. You can go by the house and let me know what you think of it and get back to me.. The address of my house is Ln, Dallas, TX 75236 I AM DEAF And I have been transfer here for job on a contract, I'm spending 2 - 3 years and am planning to buy another house over here., I want you to know that you will not be able to view the inside of the house as the keys are with me here in Las Vegas . If you like the house we can now move forward on how to get key sent to you.... I'm ready to accept either monthly or upfront mode of payment.. Depending on the one you are most Comfortable with.. Utilities include: power, water, washer/dryer, sewer and trash..Your monthly rent already covers utilities so you do not have to pay extra charges for that. Pet are allowed as long as they are not destructive. The monthly rent is \$950 while security deposit is \$950"

Cheri's office was deluged with calls from interested renters who called the number on the for sale sign and from the property's neighbors who complained about 12 people gathered in the yard to inspect the house. She says she communicated with more than 20 interested renters and at least two people who admitted that they had sent money to the scammer.

In spite of Cheri's efforts to get the Facebook Marketplace post taken down, it remained up for at least two weeks. She reached out to local police, but they said they couldn't help because the scammer was not in Texas. Cheri reported her experience to BBB's Scam Tracker. After two months of havoc created by the fake rental listing, the house still remained for sale.

to remove scam listings. Because those tools are proprietary, there is no reliable method of determining which are most successful in keeping scammers off of their sites. But the technology used to screen bogus rental listings can be evaded or circumvented by smart and determined scammers.

Those who want to rent should act with caution. People can check out companies offering rental listings at BBB.org. One property owner told BBB he had encountered several situations where scammers had taken pictures he had posted and used them in rental scams. He began putting a watermark on the photos, and after that, he had no more problems.



Craigslist Rental Scams

Perhaps the most common place people go to for rental listings is the world of online classified ads.

Craigslist is one of the first places many people go to look for rentals. It is free and relatively easy to use. Those who want to post an ad simply go to the site for their area and open a free account. One simply has to provide a description of the property, the rent requested, a few photos and contact information. Craigslist is organized by city or region, allowing users to concentrate on a local area. But anyone can create an account, and they need not be in the city where the unit is to be rented.

Craigslist is regularly used by scammers. In 2016, researchers at New York University (NYU) released [a study of rental scams on Craigslist](#). They found that Craigslist does try to screen potential rental listings, both before they are posted and after they have gone "live." Of the 2 million ads examined, they identified 29,000 scam rental listings and found that Craigslist flagged 6% of rental ads for removal. The [findings](#), which were shared with Craigslist, stated:

"The site caught only 47 percent of those determined to be fake. Additionally, they learned that for some of the most common scams—particularly the "cloned listing" scam, 40 percent of those ads remained active and unflagged for 20 hours before being detected by Craigslist. On average, Craigslist flagged fraudulent ads 10 hours after posting."

Craigslist offers [safety tips](#) for those using its site. Efforts by BBB to contact Craigslist for this study were not successful.



A Craigslist Rental Scam Victim

Adele lived and worked in Florida until 2017, when she decided to move to St. Louis. She found an apartment on Craigslist at a good price for the area. She sent an email and got a long reply from "Reverand Margaret Finney," who claimed to be out of the country doing missionary work. Finney said she was looking for a good tenant for the property but could not show the house in person. She asked Adele to drive by the property and ignore the for sale sign in front, explaining she originally intended to sell the property but now wanted to rent it instead. Finney asked Adele to make a \$1400 security deposit and pay the first month's rent before she would send Adele the keys. Adele filled out an application form and returned it to Finney.

Adele did not send money to complete the transaction, however, deciding it was too fishy. She found a different place to rent and moved to St. Louis. A year or so later, she found herself back in the St. Louis rental home market because the owner sold the house she lived in. When she inquired about Zillow and Facebook Marketplace rental home listings, she heard from several "landlords" with the same familiar story – strong people of faith who could not show the house in person because they were out of the country.

Her advice? Never pay without seeing inside the place and meeting the landlord in person.

Though not widely known, it is possible to search all of Craigslist. Sites that allow this include searchcraigslist.org. People can do a search of an interesting or unusual term used in the description of a rental, or they can search for the picture of the unit. If the same rental is advertised in many different locations, you can be sure it is a scam.

Other Online Classified Ads

Kijiji is a similar online classified marketplace operating in Canada. Kijiji says that rental is one of the major types of frauds they see, and they constantly work to keep fraud off of their platform. As with Craigslist, those posting items have to have an online account, and Kijiji tries to keep scammers from opening accounts through the use of algorithms and filters. If ads are in a high risk category, like rentals, they may delay posting them until they can look at them more closely. Of the 1.3 or 1.4 million new posts they see every week, they delay about 10,000 posts and find that only 100 (1%) of those are scams. They take down scam ads they identify, though they recognize that some scam ads will evade their efforts. Kijiji issued warnings about both [real estate scams](#) and [vacation rental scams](#). The company strongly encourages the public to [let them know](#) about scam ads.

Facebook Marketplace allows renters to search for listings in particular areas. Consumers tell BBB they have found scam listings on the site. Facebook Marketplace says they proactively view listings for a wide range of scam behavior before they are listed and reports of scams are investigated and actions taken. In addition, each rental listing has a drop-down menu in the upper right hand corner with options that allow viewers to report it as a scam. Marketplace offers information about [how to report a problematic listing](#) and offers tips on [how to stay safe](#) using their platform.

Types of common rental scams

Three of the most common scams involve fake listings are designed to:

1. **Obtain up-front money by collecting a deposit or the first month's rent**
2. **Get people to buy online directories of homes supposedly for rent**
3. **Trick victims into signing up for credit monitoring**

1. Fake listings to obtain up-front money

Perhaps the most common fraud potential renters will encounter are fake listings of apartments or houses for rent, where victims never meet the scammer in person.

A scammer can copy a home's description and photos from a wide variety of websites that list properties for sale or rent and then post it with the scammer's contact information. The scammers often advertise the rent at below-market levels. Those looking for the best price are likely to be attracted to the bogus listings. If renters are planning to move to a new city and cannot travel to inspect





the unit in person in advance, they may be especially vulnerable to this type of fraud.

If the victim reaches out to learn more about the unit, scammers may send an email like the reply below [posted by Kijiji](#).

“Dear Tenant to be, I got your mail and Thanks for your interest in my Home for rent, i work with adastra corporation (www.adastragr.com), we specialize in Data Warehousing, Business Intelligence, Data Integration, and Master Data Management solutions, we have branches in Bratislava, Ostrava, Sofia, Frankfurt, Germany, France, Spain, Canada, Africa and our headquarter is located in Canada, i was recently transferred to the company’s new branch in Nigeria so am here in (West Africa) with my family and i must say, Africa has being a great place to live am settled here with my family and work has being so good over here. I intend selling the place but my wife and lawyer convinced me not to sell it so we are looking for a responsible person to rent our home while will stay in Africa. we are with the keys and the necessary documentation of our house here in Africa because the last agent we registered with almost sold all our property in our home so please note that you wont be able to view the inside of our home until we send the keys and documents to you but you can go and view the outside or drive-by. the monthly rent includes the utilities. So please, if you are interested in renting our home, i want you to fill out the application form below.”

And if renters fill out an application, they often get a reply similar to [this one used by a Nigerian scam gang](#).

“At this point we will like to say “Congratulations” We are happy to take you as our new tenant. We are satisfied with your Application and also believe I can put my trust in you in terms of taking good care of the house. We can also let you stay in the House till the period of time you wish to. We will Schedule a good time ,maybe when we are less busy to pay you a visit after you have moved in, to see how the maintenance is. However if you are ready to rent the house now then that will not be a problem but i will advice you to provide the payment for the refundable security deposit (\$1300) now so i can hold the house for you pending when you are ready to move in, as soon as the payment

is been confirmed, i will send the keys and document of the house to you via FED EX courier services on a next day delivery service to your current home address So you can have access to view the interior of the house asap. Meanwhile the package will be addressed to I wish you best of luck in your Job, from what i saw in your application ,you must be a very responsible and hard working person, may the almighty Lord guide and protect you in whatever you do. AMEN! Here are the contents in the package that will be sent to you through FedEx. 1) Entrance and the rooms Keys. 2) Paper/ Permanent House form (Containing your reference details). 3) The House documented file. 4) Payment Receipt. 5) Signed Lease Agreement Form (sign on both copies and send one back to me) Please promise me you are going to take good care of my house. Kindly get back to me today so I will give you instructions on how to make the payment. Payment will be through Cash deposit to a Bank Account. Please note that the deposit is fully refundable you will love everything about this lovely home. I await your reply ASAP”

The content and grammar errors in the emails vary, but they have some things in common.

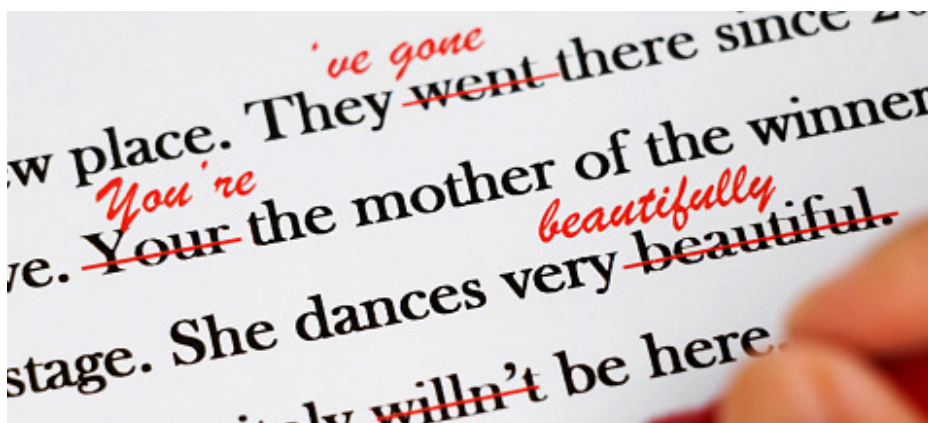
- They often claim that the owner has had to move somewhere else in the country because of the illness or a mother or other family member. This helps to explain why they can’t show the unit in person.
- They typically profess a strong Christian faith, suggesting that they are moral and trustworthy.
- They often tell potential tenants to ignore “for sale” signs at the house, presumably because the listing has been taken from sites that advertise houses for sale.

Scammers want potential renters to complete rental applications, and they may send a professional-looking lease agreement to sign and return. These documents help enhance the credibility of the claims.

The scammer then needs to obtain money from the potential renter. This type of fraud will rarely, if ever, accept a credit card, which would offer some protection to the potential renter because they can ask for a refund (a chargeback) from their credit card company if there is fraud. Instead, scammers have ready excuses as to why the money must be sent by Western Union or MoneyGram,

which are essentially the same as sending cash, or by wire transfer into a bank account proposed by the scammer.

Other payment methods employed by scammers include asking people to buy gift cards, doing bank-to-bank wire transfers into “money mule” accounts controlled by scammers, or using prepaid cards such as those offered by Green Dot. There has also been an increase in scammers obtaining money through Zelle, Venmo, or other payment apps. Requests for money by any of these alternative payment methods, especially from someone you don’t know, may be a strong indicator that fraud is involved.





The People Behind Fake Rental Listing Scams

Much of this fraud is conducted by organized Nigerian criminal gangs. Internet Security firm Agari issued a study on a group in Nigeria that they have dubbed [Scarlet Widow](#), which engages in business email compromise fraud, romance fraud, and apartment/house rental fraud, as well as fraud in vacation properties. As noted in a [BBB study about the use of romance fraud victims as money mules](#), they often are used to open bank accounts where victims can wire money.

Some domestic scammers may even appear in person to show a unit they do not own or do not have the right to rent, perhaps getting access to a house that is vacant and for sale. They can collect security deposits and initial rent payments. It is important to make sure that the “landlord” or property owner is who they claim to be. They should be willing to show proper identification. Legitimate landlords will not object to a potential renter using their mobile phone to take photos of the ID and the person showing the unit. Renters should not pay cash or use an alternative payment method such as wire transfer or gift cards, no matter how plausible the excuse is to pay by something other than by check or credit card.

After victims send money to the scammer, the supposed property owner simply disappears and stops responding. Many victims appear at the unit they believe that they have rented, only to find that the unit does not exist, is owned by someone else and who is not renting it, or is vacant and for sale. Landlords or property owners regularly encounter victims who contact them, thinking that they have a rental, and report this to BBB.

2. Bogus listing to sell a directory of rental units

The [NYU study](#) also found that scammers copied listings of actual houses and other rental units, posting them on Craigslist at cheaper prices and provided a phone number to call for more information. Callers were told that to view the details of the listing, they had to pay to join an online service which had a directory of low cost rent-to-own houses. They found that victims typically paid a one-time fee of \$200 or a \$40 monthly fee. The advertised houses were not for rent or sometimes did not exist.

3. Bogus listing to trick victims into signing up for credit monitoring

The NYU study similarly found a large number of bogus rental listings on Craigslist in which those responding to the bogus listings were told that they must obtain their credit score before they could see the unit in question, and were provided a link to a website where they could obtain their “free” credit score. But the credit score was not free. There were monthly recurring charges that victims had to pay but that were not disclosed. And when a victim did pay, they never got a tour of the rental unit because none of them were legitimately available for rent.

Other apartment/house rental scams

Scams also may target property owners. Someone may contact a property owner, especially a vacation property, offer to rent, and send a corporate check as payment for the rental. Not long after the check arrives and is deposited, the scammer contacts the property owner to cancel due to an emergency, and ask the owner to send back the money in a bank-to-bank wire transfer. Typically, the owner deposits the check and the bank credits it to their bank account, only to learn later that the check is counterfeit. Crooks can also counterfeit cashier’s checks, and those can bounce, too. This type of fraud is explored in [BBB’s study on fake check fraud](#).

A variation on this scheme is to send the property owner a check for more than the amount needed, then ask them to send the difference to a supposed third party.

Scammers also may reach out to those who have timeshare properties and offer to rent them out for a corporate event. But the owner must first purchase insurance to cover the event, and the funds sent for insurance actually go to the scammers.

Property Owner Shares Empathy

Property owner Marguerite said people have shown up at her building ready to move into an Bay Area apartment that was not for rent and at her gate for an open house she was not holding. A tenant told her they lost \$8,000 last year, thinking that they were going to rent in another building. Once, a family arrived to look at the building and planned to hand over the initial rent money to someone they were told to meet at a nearby church. They only spoke Spanish, so Marguerite explained, through their 10-year-old child, that it was a scam and she did not have a unit to rent them.

Vacation travel

Many people love to travel. Instead of staying in a hotel, they may want to rent an apartment, villa, or house. Those offering such rentals may have their own web pages. And there are online companies that connect travelers with property owners. Whether they are traveling to Branson or Barcelona, travelers are often in the situation of not being able to view the location in person before parting with at least an advance deposit.

The same tactics used in apartment rentals may be employed to scam someone with a vacation rental, so the same red flags apply. BBB has received numerous reports of people who arrived at a vacation property with their families and luggage after having made advance payments only to discover that the location doesn’t exist or is not available for rent, leaving people stranded with nowhere to stay and finding that their money has disappeared. [BBB](#) and the [FTC](#) have issued alerts and tips for vacation travel. It is important to know that trip insurance may not cover fraud.



Because renting a vacation property entails such risks, several services have emerged to protect both the renter and the property owner, including [Airbnb](#), [HomeAway.com](#) or [VRBO.com](#). (HomeAway and VRBO share a common owner.) Many other websites operate similarly. Most major travel booking websites offer protection from scams and ways to protect payments. Check out any travel site in advance at [BBB.org](#).

Airbnb

Airbnb, a vacation rental platform, provides an opportunity to examine rental scam issues that are common on other rental platforms as well.



Airbnb has a website where people can find short-term rentals and vacation properties around the world. Those offering to rent their property are known as hosts and must register with Airbnb, which attempts to

make sure that the host is legitimate before allowing them to post a property. The company has reviews posted of those who have stayed at that location, and only those who have actually stayed there can post such reviews.

In addition, Airbnb handles credit card charges and provides a secure method of communication between those renting and the host. Thus, the host never has the credit card number of the renter. Airbnb itself pays the host and does not make full payment to the host until after the renter arrives. This helps ensure that the renter can access the unit and that it is as described.

In addition, renters can communicate with the host through Airbnb to ask questions and discuss any issues. Airbnb acts as a secure intermediary and gets 3% of the rental charges for its services.

Vacation rental platform scams

Airbnb says it works hard to keep scammers off of its sites, but the scammers are smart, experienced, and determined. There are several scams that consumers may run into on vacation rental platforms.

- Scammers may manage to sign up as hosts themselves and post nonexistent properties. One victim told BBB he was planning to make a trip to London. He was initially interested in six different locations, which he found on several vacation travel sites. After some careful internet research, he concluded that five of the six were scams and the units were not for rent. In fact, one was a restaurant, he said. An internet search of the address can help determine if the property exists.
- Scammers (or hosts acting improperly) may contact potential renters and suggest that they can give them a lower price if they drop the Airbnb reservation and deal directly with the host. Because many local governments now tax Airbnb rentals, evading these taxes can save some money. And crooked hosts could suggest that renters pay through a mechanism such as Western Union or MoneyGram, which is akin to sending cash with no protections for the sender. [Airbnb warns, as does HomeAway.com](#), that vacation travelers who allow themselves to be moved off the platform lose critical protections for their money and risk arriving to find that they have no place to stay. A [recent article in Vice](#) explored a situation where a “host” claimed to have a plumbing problem and instead did a bait and switch to steer travelers to

Victim of Vacation Property Rental Left Stranded

Pam often used HomeAway and Airbnb for vacation travel, always with good experiences. In January 2017, Pam made plans to bring her husband and daughter along as she attended a conference in Las Vegas in April. She found a condo advertised for rent with HomeAway. The condo’s address was not listed, but she recognized the building in the photo because she’d seen it on previous trips.

After paying \$486 with her credit card to reserve the apartment, she received an email in March from HomeAway asking that she pay the remaining balance. She paid another \$368 by debit card to finalize the rental. A few days before departure, she sent an email to the owner asking whether the condo had a coffee maker. She got no reply.

In April, Pam and her family arrived at the Las Vegas airport. In Pam’s previous experiences with HomeAway, she received a text an hour before arrival that contained the address and unit number, along with codes to open the front door and key lockbox. But Pam received none of this information this time. She began sending emails and text messages to get the information, but got no reply.

After spending two and a half hours at the airport with her family sitting on their luggage, she realized she had been defrauded and found a hotel for their stay.

When she returned home to Omaha, Pam contacted her bank and was able to receive a chargeback on her credit card for the second payment, but not for the initial charge because it had been made more than three months prior. Pam ultimately was able to get her money back, but the process was difficult and frustrating. HomeAway called her and wanted to be sure she got her money back.

Pam checked HomeAway’s and Airbnb’s websites and found 11 units supposedly for rent in the same building with identical interior photos. She reported this to both companies but received no reply. When she checked two weeks later, these units were still posted as available.



dummy units. Airbnb has responded to this situation by announcing it has introduced a new [guarantee](#) on the accuracy of listing information, and that over the next year it will [verify the accuracy](#) of all 7 million listings on its platform.

“Starting on 12/15/19, if a guest checks into a listing and it doesn’t meet our accuracy standards, we will rebook them into a listing that is just as nice — and if we can’t, they will get 100% of their money back,” according to a tweet from Airbnb’s CEO, Brian Chesky.

- As with business email compromise fraud, scammers may be able to use phishing efforts to get the host’s information that they use to log into Airbnb, pretend to be the host and try to get the renter’s money without a real reservation. Airbnb says that it has now instituted multifactor authentication, which should help to protect against that activity.
- Scammers may claim that their listing is “protected by” or somehow connected to Airbnb, perhaps using their logos or other marks, and tell the renter that they are protected when they are not. This is a common tactic of other scams that try to allay potential concerns by falsely claiming that a buyer is protected by PayPal or some other mechanism.
- Renters may find websites that are actually cloned copies of Airbnb’s website. Airbnb makes great efforts to detect and take down these types of sites, but the company admits the scammers are very clever and the fake sites very well done.
- Airbnb notes that scammers take advantage of events such as the Super Bowl where hotels may be booked and travelers are looking for an alternative place to stay. Those attending such events need to be extra careful, as scammers try to exploit these situations.

Law enforcement efforts

Given the large number of rental frauds, it is probably no surprise that there are many different types of scammers engaging in this fraud. Two large enforcement efforts recently have challenged nationwide frauds that employ fake listings, primarily on Craigslist.

The case against Credit Bureau Center

First, the FTC has taken action against a nationwide scam that used fake rental listings. Agents for [Credit Bureau Center](#) (CBC) advertised rentals on Craigslist, and those who responded were told by email that before they could see the unit in person, they needed to first get a “free” credit score at a site where they directed people. These sites touted the credit score as “free”, but in reality those who signed up had to enter their credit card and were unknowingly enrolled in a monthly credit monitoring service costing \$29.94 per month. Many people did not recognize the charges, and some paid for months before they realized that they had been enrolled in a recurring billing trap.

The company had two different versions of its website. If someone went directly to the site after typing in the URL, they found a more complete disclosure of the terms and costs. But if they clicked through the link provided by the supposed property owner, those disclosures were, at best, in fine print. People were very unlikely to read and understand it. In a version of the site for mobile devices, there was some fine print if consumers scrolled down below where they entered their credit card information, but those disclosures were even worse than on the site linked in the fake landlord emails.



CBC hired an agent to place the ads, all of them on Craigslist. CBC had no authority to rent any of those places, and they presumably just copied photos and descriptions from other sites and posted them as their own. There is no way to tell how many bogus listings CBC posted. But we do know that 2.7 million people clicked through such ads and were taken to CBC’s website.

CBC never rented anything. It scammed victims out of \$6.8 million. At the time that the FTC filed the case, they had located roughly 500 complaints about these tactics but later learned that there were actually 168,000 victims, indicating that most victims never complain or, if they do, those do not tend to reach national complaint databases.

The case against American Standard

The U.S. Attorney’s Office for the Southern District of Illinois successfully prosecuted a company that used bogus listings to deceive victims across the U.S. into buying a \$199 subscription where they could supposedly locate rent-to-own homes in their area. This operation used several names but was most commonly known as [American Standard](#), located in Santa Barbara, California.

According to the [indictment](#), the company posted ads on Craigslist across the country advertising supposed “pre-foreclosure” houses where the renter could take over the existing mortgage and obtain the property for attractive prices. The ads did not provide a street address for these houses, just a town or neighborhood, and provided a telephone number. Callers were told that they could get the contact information for that house and other similar great deals in their area if they used their credit card to enroll in an online directory of these properties for \$199.

However, American Standard did not have any information that the houses were for sale or rent at the prices shown in the ads. In many cases, the location was actually a vacant lot. They appear to have copied other postings from other sites or invented the listing. It is unclear



how many bogus ads they posted over the years. They advertised in all 50 states. This enterprise scammed at least 100,000 people out of more than \$27 million. Owner [Michael Davenport](#) (originally from Canada), sales manager [Cynthia Rawlinson](#) and three others were convicted of mail and wire fraud charges by the U.S. Attorney's office in the Southern District of Illinois.

Targeting bad actors

Nigerian scam gangs also are heavily involved in rental frauds. Specifically, [studies](#) of Nigerian fraud gangs that engage in business email compromise and romance fraud show that these groups also perpetrate rental fraud.

These scammers need a way to obtain victim money because most renters would be highly unlikely to send funds directly to Nigeria. A recent report details a [criminal investigation](#) of a Nigerian living in Texas who was receiving money from rental fraud victims and sending it on to Nigeria. [BBB's study about the use of romance fraud victims as money mules](#) describes how Nigerian fraudsters used victims to open bank accounts and launder money.

In addition, there have been reports about a number of criminal prosecutions in the US and Canada over the last year that involve rental fraud, often where consumers have met the fraudsters in person. Those include actions in [Richmond, California](#); [Manchester-by-the-Sea, Massachusetts](#); [Aloha, Oregon](#); [Berea, Kentucky](#); [Long Island, New York](#); [Skokie, Illinois](#); [Enfield, Connecticut](#); [Largo, Florida](#); [Rensselaer, New York](#); [Salinas, California](#); [Brooklyn, New York](#); [Raleigh, North Carolina](#); [Imperial Beach, California](#); [Arlington, Texas](#); [Glendale, California](#); [Peel, Ontario](#); [Los Angeles](#); and [Palm Beach, Florida](#).



Recommendations

- Rental unit owners should watermark photos used for rental postings, which will make it more difficult for scammers to copy photos of other properties posted online.
- Website platforms that list houses, apartments and vacation properties should make extra effort to screen for bogus listings, and they should explore ways to allow consumers to easily report scam listings.

- Police should encourage victims to report not only to the rental platform, but also to the FTC, BBB, IC3, or in Canada, the Canadian Anti-Fraud Centre.

Tips to help avoid rental scams

Home and apartment rentals red flags

It is likely a scam if:

- The owner is out of town, and you cannot see the unit in person before sending money.
- There is a “for sale” sign in the yard.
- The alleged owner or property manager wants money through Western Union, MoneyGram, or a gift card. No legitimate business gets paid this way.
- The rent advertised is well below market rates.

Those looking for a rental should first conduct an internet search. Copy the photos in the post and use Google Image Search or TinEye.com to check for multiple listings. Also search using an interesting phrase in the description. And search for the address of the unit.

If you see the unit in person, check ID and make sure you are dealing with the real property owner or manager.

Vacations

If you are using a vacation rental platform:

- Beware of “owners” that want you to get off the platform to communicate or send money.
- Watch out for fake websites impersonating reputable vacation platforms. Real websites can be copied and created with another name.
- Research the rental property owner and call them to be sure that they are real.
- Do a quick internet search. Does the property exist at that address? Does the same photo appear at different locations?
- Look at reviews carefully. These can be helpful, but note that crooks may fake reviews.

How to report a rental scam

- File a report with local police.
- Go to [BBB.org](#) to view a business' BBB Business Profile, including complaints and reviews, or to file a complaint or Scam Tracker report.
- Contact the Federal Trade Commission at [ftc.gov/complaint](#) or by calling **877-FTC-HELP**.
- File a complaint with the [Internet Crime Complaint Center](#).
- For incidents in Canada, contact the [Canadian Anti-Fraud Centre](#). Call toll free from the US at **1-888-495-8501**.
- Report rental scams to the [U.S. Postal Inspection Service](#).

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