



# Federal Bureau of Investigation

## *Boston Division*

### **PUBLIC ADVISORY**

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## **FBI WARNS OF SPIKE IN RENTAL AND REAL ESTATE SCAMS**

As rents, home prices, and inflation surge in today's highly competitive real estate market, the FBI Boston Division is warning the public about the risk of rental scams, and the need to be cautious when posting and responding to rental properties and real-estate online.

"We have seen a significant increase in the amount of money being lost by people who are desperate for a good deal. Scammers are cashing in on renters who need to act quickly for fear of missing out, and it's costing consumers thousands of dollars, and in some cases, leaving them stranded," said Joseph R. Bonavolonta, Special Agent in Charge of the FBI Boston Division. "We are asking everyone to exercise caution, especially over the next few months, as folks look to book last minute summer getaways."

Rental scams occur when the victim has rental property advertised and is contacted by an interested party. Once the rental price is agreed-upon, the scammer forwards a check for the deposit on the rental property to the victim. The check is to cover housing expenses and is, either written in excess of the amount required, with the scammer asking for the remainder to be remitted back, or the check is written for the correct amount, but the scammer backs out of the rental agreement and asks for a refund. Since the banks do not usually place a hold on the funds, the victim has immediate access to them and believes the check has cleared. In the end, the check is found to be counterfeit and the victim is held responsible by the bank for all losses.

Another type of scam involves real estate that is advertised online. The scammer duplicates postings from legitimate real estate websites and reposts these ads, after altering them. Often, the scammers use the broker's real name to create a fake email, which gives the fraud more legitimacy. When the victim sends an email through the classified advertisement website inquiring about the home, they receive a response from someone claiming to be the owner. The "owner" claims they're unable to show the property without payment because they are either out of town or out of the country. If the victim is interested in renting the home, they are asked to send money and shortly thereafter the property is no longer available.

According to the FBI's Internet Crime Complaint Center (IC3), which provides the public with a means of reporting Internet-facilitated crimes, there has been a steady increase in losses reported by victims of real estate/rental scams in the last three years.

Nationwide, in 2021, **11,578 people** reported losing **\$350,328,166** due to these types of scams which is a **64% increase** from the previous year. Here in the Boston Division, which includes all of Maine, Massachusetts, New Hampshire, and Rhode Island, **415 victims reported \$13,424,269 in losses** which is a **27% jump**.

- 42 victims in Maine lost \$489,309
- 290 victims in Massachusetts lost \$8,944,041
- 41 victims in New Hampshire lost \$2,576,210
- 42 victims in Rhode Island lost \$1,414,709

The actual losses are most likely much higher because many people are hesitant to report they were scammed. Within the FBI Boston Division's area of responsibility, several incidents have been reported in recent months including:

An Idaho man was in the process of re-locating to Rhode Island and responded to a Craigslist ad for a year-long rental in Narragansett, RI. After securing a \$21,756 advance from his employer, he wired that money to the "owner" and set up a time to gain access to the residence. Prior to the agreed upon meeting time, the man received a text canceling the meeting because the "owner" was in Chicago tending to his sick son. The man went to the residence and was greeted by the actual property owner who told him it was not a rental property and he had not posted an online ad.

An East Providence, RI, man responded to an online advertisement for an apartment in Cambridge, MA, requiring the first and last month's rent, along with a security deposit. The man was told he would not be given the keys and allowed to access the apartment until the \$6,000 check cleared the bank. As soon as that happened, he made an appointment to collect the keys for the apartment but no one answered the door. After calling and texting the purported owner, the victim received a text stating "you got scammed, do not text this phone anymore."

A University of Rhode Island student responded to an online advertisement on Facebook Marketplace for an apartment in Wakefield, Rhode Island. The student wired \$1,800 to secure the place after he was told he wouldn't be allowed to see the apartment prior to moving in because the landlord is always traveling. When he showed up to move in, the address he was given was for the leasing office and he was told there were no units available.

How to avoid being victimized:

- Do not wire funds to people you do not know.
- Do not put money towards a house or apartment you have not seen.
- Confirm the identity of the landlord by researching public records to find out who owns the property you are seeking to rent or purchase.
- Do not fill out applications online until you have met directly with the property manager.
- Know local rental prices.
- Look for online reviews, references, and testimonials from past inhabitants.
- Be wary if a potential tenant wants to rent property sight unseen.
- Be wary if a potential renter says they are out of town and will send you a cashiers' check.

- Be wary if a potential landlord says he is out of the country and wants the rent sent to a foreign account.
- Do not accept overpayment for properties. If you receive a check for more than the specified amount, return it. Do not deposit it.

If you find yourself the target or victim of a rental scam, stop all contact immediately, and if you have already sent money, it is extremely important to report any transfer of funds to your financial institution and file a complaint with the FBI's Internet Crime Complaint Center at [ic3.gov](http://ic3.gov).