

focus on: Legal Affairs

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ALERT: Are Your Listings Being Used for Rental Scams on the Internet?

In this new age of technology, the internet is becoming a common vehicle for criminal activity. It has become much easier to carry out real estate property scams relating to renting or selling homes online. A typical scenario involves an individual who is not the owner or owner's agent placing an ad to scam the unsuspecting public out of money for deposits. There are many legitimate, reputable websites that have fallen victim to these fraudulent activities. Potential clients are being duped by the scraping of internet listings and the use of real estate agents' identities from those listings. You may not realize this until someone contacts you and asks for the key to a property they think they have rented by sending a deposit check to someone they thought was you.

How does this happen?

Criminals are searching websites for property listings. Listings and photos are being scraped from legitimate listings, altered and reposted on other sites claiming the home is for rent (not for sale) or for rent at a lower than average rental rate. This has happened on legitimate websites such as Craigslist, Zillow, Trulia, and Hotpads. This rental scam might even involve nonexistent properties with a real estate agent's identity being stolen to dupe clients. A fake email address may be created that has the listing agent's name to make it appear real and a phone number with the same area code as the agent to make it appear legitimate.

Consumers are searching the internet for potential rentals or a new home as all the information is at their fingertips within minutes, i.e., pictures, prices and virtual tours. The internet is a perfect vehicle for taking advantage of and stealing money from consumers. What is convenient for consumers is also convenient for criminals. Don't exercise less judgment when you are not face-to-face.

The most recent rental scam in Indiana posted by the Indiana State Police last week involved Craigslist. A Plainfield Indiana woman answered a posting for a rental home in Noblesville that appeared on Craigslist. After sending rent and deposit money for the house by wiring from a CVS store in Noblesville to California where the owner supposedly was living, the victim never received keys to the house. It turns out the house in question was actually sold by a real estate company that had their sign in the yard one week prior to the Craigslist posting.

These scams are more prevalent with houses for rent rather than apartments for rent due to most apartments being run by property managers or large REIT's.

How can you protect yourself and your listings?

Conduct an internet search for new properties to make sure the property you are listing is not being duplicated elsewhere. As an agent, Google search your listings every so often to make sure they are not appearing somewhere unauthorized by you. You may do this with your name as well to make sure your identity has not been hijacked.

If you have a vacant property listed, put a sign on the door that says "Not for Rent".

Try typing the street address into a search engine and check to see if the information is the same on multiple sites.

Don't share your email address within your ad.

Use a watermark for photos as they are less likely to be copied.

Don't use your personal phone number in an ad. Use a service that uses a toll free number instead.

Periodically check Craigslist and other websites to see if your ad has been duplicated.

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Red flags-- Educate the public

If the rental price is too good to be true it probably is; research average rental rates in the area.

Don't send money upfront to anyone you don't know or before you see a property or sign a lease.

Don't deposit a check from someone and then agree to wire money back for an overage. Return the check if you receive overpayment.

Will the owner only interact with you online? Can the owner show you the property or make arrangements for you to see it?

Wiring money required.

Urgency..."I need to hear from you today!"

Never provide your bank account number, routing number or other financial or personal information.

Bottom line: Trust your gut!

What to do if Fraud has occurred with your listing?

Unfortunately, infringements are very common today. Ask the website to take the picture down (the copyright image) and they will. How do you do this? Prepare a DMCA Takedown Notice to send to the website containing your duplicated listing. The DMCA stands for the Digital Millennium Copyright Act ("DMCA"). After the host website receives the DMCA Takedown Notice, the infringing materials should be removed.

A host website may not be liable for transmitting information which involves a copyright violation, but it is required to expeditiously remove those materials in violation from its website after notice is received.

If a website does not comply with these requirements, it can lose its immunity under this Act. Many websites have sample forms, but in case they don't, I have prepared a [sample takedown notice](#) for use by our IAR members. This form is located on the IAR website under the legal library tab, then click on Forms to locate the DMCA sample letter. A Takedown Notice is a powerful tool to effectively combat this type of activity.

Where do you report this abuse?

File a complaint at www.ic3.gov if you have been a victim of internet crime.

File with local law enforcement.

File with the Indiana Attorney General by logging on to www.IndianaConsumer.com or calling their Consumer Hotline at 1-800-382-5516.

File with the Indiana State Police by going to <http://www.in.gov/isp/3240.htm>. At the bottom of the page, it will identify a corresponding phone number depending on where you reside.

If we eliminate the economic incentives for scammers we may reduce or eliminate this type of scam.

Also, be sure to see the [Property Scams video](#) produced by IAR and RECP for additional information on this topic, including interviews with the Indiana State Police and Attorney General's Office.

Please contact the IAR Legal Hotline if you have any questions or concerns regarding the above. The IAR Legal Hotline is available to principal, managing brokers and designated agents from 9am-5pm, Monday-Friday at 1-800-444-5472.