



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

For Release

FTC, States Sue Rental Listing Platform Roomster and its Owners for Duping Prospective Renters with Fake Reviews and Phony Listings

Agency, States Also File Proposed Order Requiring Fake Review Seller to Pay \$100,000 and Cooperate in Case Against Roomster

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The Federal Trade Commission and six states filed a lawsuit against rental listing platform Roomster Corp. and its owners John Shriber and Roman Zaks for allegedly duping consumers seeking affordable housing by paying for fake reviews and then charging for access to phony listings. The complaint alleges that Roomster and its owners have taken tens of millions of dollars from largely low-income and student prospective renters who need reliable housing the most and can least afford to lose money. Separately, the FTC and the states filed a proposed order against Jonathan Martinez—who allegedly sold Roomster tens of thousands of fake reviews—requiring him to pay \$100,000 and cooperate in the FTC's case against Roomster.

"Roomster polluted the online marketplace with fake reviews and phony listings, making it even harder for people to find affordable rental housing," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "Along with our state partners, we aim to hold Roomster and its top executives accountable and return money to hardworking renters."

"There is a term for lying and deceiving your customers to grow your business: Fraud. Roomster used illegal and unacceptable practices to grow its business at the expense of low-income renters and students," said New York Attorney General Letitia James. "Unlike Roomster's unverified listings and fake reviews, their deceptive business practices will not go unchecked. I am proud to lead this effort with the FTC to protect low-income renters and students defrauded by Roomster."


New York-based Roomster operates a website and mobile apps where users can pay a fee to access living

arrangement listings, including rental properties, room rentals, sublets, and roommate requests. The company claims to offer “authentic” and “verified” listings. However, [in a complaint](#)  filed in federal court along with the attorneys general of New York, California, Colorado, Florida, Illinois, and Massachusetts, the FTC and its state partners allege that Roomster, along with Shriber and Zaks, used fake reviews and other misrepresentations to lure consumers to its platform and pay for access to listings that often turned out to be fake. The complaint also alleges that Martinez, doing business as AppWinn, deceptively promoted the Roomster platform by providing tens of thousands of fake four- and five-star reviews.

The complaint alleges that the deceptive tactics of Roomster, Shriber, Zaks, and Martinez violated the FTC Act and state laws. Many consumers rely on reviews when deciding whether to purchase a product or service. Fake reviews distort the marketplace and make it difficult for consumers to make informed decisions. The deceptive tactics alleged in the complaint include:

- Posting fake positive reviews: Roomster’s operators, with the help of Martinez, have saturated the internet with tens of thousands of four- and five-star fake reviews, which dilute negative reviews posted by real consumers, some of whom warn that many of Roomster’s listings are fake. The complaint alleges that Roomster’s operators told Martinez to take steps to make the reviews look real. For example, Shriber urged Martinez to spread out the reviews so they were “constant and random.”
- Claiming to offer verified and authentic listings: Roomster misrepresents that it offers millions of “verified listings” when in fact the company does not verify listings or ensure they are legitimate and authentic. For example, the FTC’s investigation found that the company immediately accepted and published a fake listing for a fictional apartment at the same address as a U.S. Post Office commercial facility.
- Using phony listings to attract paid users: Roomster has advertised on internet sites like Craigslist using fake listings that drive consumers to Roomster’s platform. Once on the site, consumers paid fees to obtain information necessary to secure the listings, only to discover that the listings didn’t even exist. In addition, after signing up for Roomster’s service, consumers complain they are often bombarded by fraudsters with more fake listings.

This action is part of the FTC’s efforts to crack down on fake and deceptive reviews. Earlier this year, online retailer [Fashion Nova paid \\$4.2 million](#) to settle allegations that the company blocked negative reviews of its products from being posted to its website. In 2021, the FTC [put hundreds of firms on notice](#) that they could face significant financial penalties if they use fake reviews or other deceptive endorsements to promote their products or services.

According to the complaint, Roomster and its owners were assisted by Martinez in their efforts to deceive consumers by posting fake reviews to the app stores. In addition to cooperating with the FTC in its ongoing case against Roomster, Martinez, as part of the [proposed stipulated final order with the FTC and the states](#) , is also required to:

- Notify the app stores: He must notify the Apple and Google app stores that Roomster paid him for posting reviews on each platform and must identify the fake reviews and approximate times they were posted:

they were posted,

- Stop selling reviews: Martinez will be permanently banned from selling or misrepresenting consumer reviews or endorsements;
- Pay \$100,000: Martinez must pay a total of \$100,000 to the FTC's six state partners: New York, California, Colorado, Florida, Illinois, and Massachusetts.

The Commission voted 5-0 to authorize the staff to file the complaint against Roomster and the three individual defendants and the stipulated final order against Martinez. The complaint and stipulated final order were filed in the U.S. District Court for the Southern District of New York.

The FTC thanks its state co-plaintiffs for their partnership in this matter.

NOTE: The Commission files a complaint when it has "reason to believe" that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. The case against Roomster and its owners will be decided by the court. Stipulated final orders have the force of law when approved and signed by the District Court judge.

The Federal Trade Commission works to promote competition and [protect and educate consumers](#). Learn more about consumer topics at [consumer.ftc.gov](#), or report fraud, scams, and bad business practices at [ReportFraud.ftc.gov](#). Follow the [FTC on social media](#), read [consumer alerts](#) and the [business blog](#), and [sign up to get the latest FTC news and alerts](#).

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