

United States Senate

WASHINGTON, DC 20510

November 19, 2019

Brian Chesky, CEO
Airbnb
888 Brannan St., Floor 4
San Francisco, CA 94117

Dear Mr. Chesky,

We write regarding a disturbing press report that Airbnb failed to address obvious fraud on its platform, and with concerns about Airbnb's response.¹ A widely read *Vice* article published on October 31, 2019 and written by an Airbnb customer described in painstaking detail her and other customers' experience with Airbnb's poorly written rules, weak verification process, practice of ignoring red flags, and stonewalling the resolution of complaints — all of which made it impossible for them to receive full refunds for property they had rented. Airbnb must immediately address both the apparently fraudulent activity on its platform and the company's policies and practices that allowed it to occur, and ensure that scammers cannot continue to use Airbnb to rip-off vulnerable consumers.

According to the *Vice* report, Airbnb hosts perpetrated a nationwide scheme in which they contacted their guests minutes before check-in, claimed that the properties the guests booked had become unavailable or uninhabitable, and pressured the guests to move to more expensive, but woefully inferior, properties for their booked stay. Some of these guests were then quickly kicked out of the new accommodations, with no place to go. Every victim profiled in the *Vice* story found it nearly impossible to obtain full reimbursement from Airbnb for the costs of the rentals. And despite glaring evidence of fraud, Airbnb allowed the scammers to continue renting properties on its platform and engaging in this bait-and-switch.

On November 6, 2019, in response to the *Vice* report, Airbnb announced that, among other steps, by December 15, 2020, “[h]omes will be verified for accuracy of the listing (including accuracy of photos, addresses, and listing details) and quality standards (including cleanliness, safety, and basic home amenities).”² Left unsaid was how Airbnb intended to implement these safeguards

¹ Allie Conti, *I Accidentally Uncovered a Nationwide Scam on Airbnb*, *Vice* (Oct. 31, 2019), https://www.vice.com/en_us/article/43k7z3/nationwide-fake-host-scam-on-airbnb.

² Email from Brian Chesky, Airbnb Co-Founder, CEO and Head of Community, to Airbnb global employees (Nov. 6, 2019) (reprinted at <https://news.airbnb.com/in-the-business-of-trust/>).

for the seven million listings on its platform. Airbnb's response also failed to take responsibility for the harm done to consumers on its platform.

Airbnb must make whole the victims of the scam described in the *Vice* report and provide specifics on the implementation of its new verification goals. Accordingly, by December 6, 2019, please respond to the following questions:

1. What is Airbnb's current verification process to ensure hosts are legitimate and their postings are genuine and accurate?
2. Was Airbnb aware that the type of fraud detailed in the *Vice* report was taking place on the platform before the report was published? If so, when did Airbnb become aware of this activity?
3. What has Airbnb done to investigate the *Vice* report?
 - a. How many fake Airbnb accounts did the scam described in the *Vice* report involve? How many properties were included in these fake accounts? How were those accounts able to evade any current verification processes? Has Airbnb taken down every phony posting associated with this scam?
 - b. How many individuals stayed at rentals that were part of the scam? Has Airbnb contacted all of these individuals? Has Airbnb fully reimbursed them? If not, why not?
 - c. What proactive actions will Airbnb take to identify users that were scammed out of their money and make them whole again?
 - d. How many individuals contacted Airbnb with concerns about the legitimacy of the postings involved in the scam or negative experiences they had with the rentals? Why did Airbnb fail to act on these red flags and complaints?
 - e. According to an addendum to the *Vice* report, following its publication, the Federal Bureau of Investigation ("FBI") contacted Airbnb. Has the FBI opened an investigation into Airbnb or any of its hosts? Has Airbnb provided any documents (electronic or otherwise) to the FBI? If so, please provide copies.
4. What is Airbnb doing to root out scams similar to those described in the *Vice* report? Have you identified any scams that use similar tactics to create fake profiles and exploit travelers? Has Airbnb identified any victims of such scams? Has Airbnb made them whole by reimbursing the cost of their rentals or any additional costs associated with last-minute accommodations?
5. Presumably Airbnb collected its fees with every booking that was a part of the scam described in the *Vice* report and any similar scams. What happens to these fees, particularly when Airbnb grants only partial refunds to victims? Is Airbnb profiting from these bookings? If so, now that the scam has been uncovered, what has Airbnb done with this money?
6. With respect to the changes Airbnb announced on November 6, 2019:

- a. How will Airbnb verify every listing for accuracy and quality standards by December 15, 2020? Will Airbnb rely solely on technology for verification or will there be a human component? As a part of the scam reported by *Vice*, travelers were threatened with retaliation if they made a poor review public. If there is a human component to the verification process that relies on property visitors and their reviews, how will Airbnb encourage and ensure accurate reviews? How will Airbnb be confident that it has verified seven million postings for *both* accuracy and quality?
 - b. With a December 15, 2020 deadline for implementation of all the proposed changes, what changes, if any, will Airbnb be implementing immediately or phasing in? What immediate changes, if any, will prevent the recurrence of the type of scam described in the *Vice* report?
7. What guidance does Airbnb currently offer to users to help them avoid fraud on your platform? Will Airbnb commit to formally reviewing and updating any such existing guidance to reflect the findings in the *Vice* report?

Thank you in advance for your attention to this matter. If you have any questions, please contact Andrew Cohen of Senator Markey's at Andrew_Cohen@markey.senate.gov.

Sincerely,



Edward J. Markey
United States Senator



Richard Blumenthal
United States Senator