

**August 30, 2022**

**ATTORNEY GENERAL RAOUL JOINS FEDERAL TRADE COMMISSION, COALITION IN FILING  
LAWSUIT AGAINST ROOMSTER CORPORATION**

***Lawsuit Alleges Rental Listing Platform Manipulated Reviews to Lure Low-Income and Student  
Renters***

**Chicago** — Attorney General Kwame Raoul today joined the Federal Trade Commission (FTC) and a group of six attorneys general in filing a lawsuit against rental listing platform Roomster Corporation (Roomster) and its owners John Shriber and Roman Zaks over allegations the company lured customers seeking affordable housing with fake positive reviews and charged customers for access to phony listings.

Roomster – based in New York – operates a website and mobile app where users can pay a fee to access housing listings, including rental properties, room rentals, sublets and roommate requests. The company claims to offer “authentic” and “verified” listings. Raoul’s lawsuit alleges Roomster and its owners have taken tens of millions of dollars from largely low-income and student renters who need reliable housing the most and can least afford to lose money.

“Consumers rely on accurate information to make decisions that are in their best financial interest. When companies attempt to manipulate the marketplace with intentionally misleading claims, consumers suffer and pay the price,” Raoul said. “I would like to thank the FTC for their continuous partnership as we work to protect the public from fraud and deceptive business practices.”

[In their lawsuit](#), filed today in the U.S. District Court for the Southern District of New York, Raoul and the coalition allege that Roomster, along with Shriber and Zaks, used fake reviews and other misrepresentations to lure consumers to its platform to pay for access to listings that often turned out to be fake. The complaint also alleges that Jonathan Martinez – doing business as AppWinn – deceptively promoted the Roomster platform by providing tens of thousands of fake four- and five-star reviews. As part of a proposed order with the FTC and its state partners, Jonathan Martinez will be required to pay \$100,000 and cooperate in the case against Roomster.

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. Last year, 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.

In the lawsuit, Raoul and the coalition allege that Roomster and its owners:

- **Post 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.”
- **Claim 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. Postal Service commercial facility.

- **Use fake 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.

As part of the proposed stipulated final order with the coalition, Jonathan Martinez is required to pay a total of \$100,000 to participating states; cooperate in the ongoing case against Roomster and its owners; stop selling reviews; and notify the Apple and Google app stores regarding his involvement in posting fake reviews for Roomster.

Joining Raoul in filing today's lawsuit is the FTC and the attorneys general of California, Colorado, Florida, Massachusetts and New York.