INDEPENDENT LANDLORD REFERENCE · NEW YORK STATE

The Tenant Fraud Playbook

New York Edition — a detailed, step-by-step system for catching forged pay stubs, fabricated bank statements, fake IDs, and fraudulent rental applications, built around New York State and New York City screening law.

◆ **SCOPE OF THIS EDITION**

- Fraud-detection guidance (Sections 1–8) applies anywhere. Legal requirements are noted as **statewide** (New York State, all 62 counties) or **NYC-only** (the five boroughs) — check which applies to your property. Outside New York City, always confirm whether your own city, town, or county adds further rules on top of state law.

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Why This Matters

Rental application fraud has gotten easier to commit and harder to spot on sight. Pay-stub and bank-statement generator templates are sold openly online, government ID templates circulate on the same marketplaces, and identity theft tools make it possible to construct an application built around a stolen or synthetic identity that looks completely ordinary. None of this shows up as an obvious “tell” to someone skimming a PDF.

The documents in this guide are designed to be believable at a glance — that's the whole point of them. The counter to that isn't sharper instincts; it's a slower, more structured process that verifies the underlying facts independently of the paperwork the applicant hands you. That's what this playbook builds, section by section.

Two things to keep in mind throughout: first, fraud prevention and fair housing compliance are not in tension — a documented process applied identically to every applicant is both your best fraud defense and your best legal defense. Second, this is general guidance, not legal advice. New York State — and New York City in particular — regulates screening more closely than most of the country, with a capped application fee, a capped security deposit, statewide protection for voucher and public-assistance income, and, within the five boroughs, a separate law restricting when and how criminal history can be considered. Section 9 covers each of these in detail; confirm specifics with a local attorney or the NY Division of Human Rights before finalizing your own process.

1. Build a Verification-First Process

Most application fraud succeeds because it's evaluated case by case, under time pressure, by someone comparing a document against a vague mental checklist. The fix is procedural, not instinctual: decide your document requirements and verification steps once, in writing, and apply them identically to every applicant, every time.

This matters for two distinct reasons:

- **It catches more fraud.** Forged documents are built to survive a glance, not a checklist. A fixed sequence of independent verification steps catches what a busy, ad hoc review misses.
- **It protects you legally.** Applying different scrutiny to different applicants — even unintentionally, even with good intentions — is exactly the pattern that fair housing complaints are built on. A uniform process is your evidence that decisions were made on the merits.

Before you screen anyone, put the following in writing:

- **The exact documents you require** from every applicant (Section 10 has a full reference table), collected the same way every time — not "whatever they happen to send."
- **Your minimum approval criteria** — income-to-rent ratio, minimum credit score, background check standards — set before you see a single application, and never adjusted after the fact for a specific applicant. In New York, build in the fee cap and screening order required by Section 9 from the start, rather than retrofitting your process later.
- **Who verifies what, and how,** so a forged document isn't just eyeballed by whoever happens to be reviewing applications that day.
- **A record-keeping rule:** what gets saved, for how long, and where, so you have a paper trail if a dispute or fraud case arises later.

Run every applicant through the same steps in the same order, and don't skip steps for an applicant who "seems fine." That feeling is precisely what a well-forged application is engineered to produce.

2. Spot a Fabricated Pay Stub

Generic pay-stub templates are sold openly online and can be filled in with any name, employer, and salary in minutes. Most are convincing at a glance and fall apart under five minutes of structured scrutiny. Work through these five categories on every pay stub you receive.

Math that doesn't reconcile

Real payroll math is mechanical and unforgiving; forged documents often get it subtly wrong.

- Gross pay minus every itemized deduction should equal net pay exactly, to the cent.
- Year-to-date (YTD) figures should scale consistently with the pay period. A “6th pay period” YTD gross that isn't roughly six times the per-period gross (adjusted for any raises) is a red flag.
- Tax withholding percentages should be plausible for the stated income and filing status — a withholding rate that's flat, suspiciously low, or identical across every line item suggests it was typed in rather than calculated.

Formatting inconsistencies

- Mismatched fonts, sizes, or weights between sections of the same document.
- Columns and numbers that don't align to the same baseline or grid — a sign a field was edited after the base template was generated.
- Logos that are noticeably lower resolution or a different color balance than the surrounding text, suggesting a pasted-in image.

Missing or generic content

- No employer EIN, no exact legal company name and address, or no explicit pay-period start/end dates.
- No itemized tax withholdings — real stubs break out federal, state, Social Security (FICA), and Medicare separately, not as one lump “taxes” line.
- Suspiciously round dollar figures throughout. Real gross pay, withholding, and net pay almost never land on even numbers.

Digital and metadata clues

- Open the PDF's document properties (File → Properties, or a metadata viewer). A file created or last modified in Word, Excel, Photoshop, Canva, or a named “pay stub generator” tool — rather than an actual payroll platform such as ADP, Paychex, Gusto, or Workday — is a strong signal.
- A flattened image with no selectable text, or visible pixel misalignment and compression artifacts around specific numbers when zoomed to 300%, suggests an edited field.
- PDFs with layered or overlapping text objects when you try to select all text — a common artifact of pasting a new number over an old one.

Contact-information mismatches

- An employer “HR” email on a free consumer domain (Gmail, Yahoo, Outlook.com) instead of the company's own domain.

- A phone number that forwards to a personal cell phone or voicemail rather than a company switchboard.
- An employer address that doesn't match the company's actual, publicly listed location.

RED FLAG PATTERN

- **MATH** Gross – deductions ≠ net, or YTD figures don't scale with the pay period.
- **FORMAT** Inconsistent fonts, misaligned columns, low-resolution or recolored logo.
- **CONTENT** Missing EIN, missing itemized withholdings, or suspiciously round numbers throughout.
- **META** File properties show it was built in a design tool, not an actual payroll platform.
- **CONTACT** HR email on a free consumer domain, or a number that forwards to a personal cell.

3. Spot a Fabricated Bank Statement

The same forensic habits apply to bank statements, with a few bank-specific tells added:

- **Running balance errors:** add and subtract each transaction line by line — the running balance should reconcile exactly. A single arithmetic mismatch anywhere in the statement is disqualifying on its own.
- **Font drift:** watch for a font, size, or alignment that shifts partway down the page, especially around one or two specific transaction rows — the classic sign of a single edited entry.
- **Generic transaction descriptions:** real statements show merchant-specific, often slightly cryptic descriptors (card network codes, merchant IDs); an unusually clean, human-readable description like “Paycheck Deposit” on every line is uncommon on authentic bank exports.
- **One convenient large deposit:** be skeptical of a statement that shows an unusually large, isolated deposit right before the application date and otherwise thin activity — a common way to manufacture the appearance of savings or income.
- **Missing bank-standard elements:** authentic statements carry consistent headers, page numbers, account masking format, and often a summary box (total deposits, total withdrawals, beginning/ending balance) that a hand-built forgery frequently omits or gets slightly wrong.

Wherever possible, prefer a document the applicant did not have to build themselves — see Section 4.

4. Verify Income Independently

Spotting a forgery is only half the job. The other half is confirming a real income through a channel the applicant doesn't control — which means going around the applicant for at least one data point on every application.

- **Call the employer yourself.** Use a number you find independently — the company's listed main line or public website — never a number written on the pay stub itself, which is trivial to fake, spoof, or route to a co-conspirator.
- **Use a payroll-linked verification service where available.** Services such as The Work Number, Truework, Plaid Income, or Argyle connect directly to the employer's payroll system rather than relying on a document the applicant hands you, which removes forgery from the equation entirely.
- **Request an official bank statement,** ideally downloaded directly from the bank's own portal (these carry consistent, hard-to-fake formatting) rather than received as a standalone emailed PDF, covering at least the last two to three months.
- **For self-employed or 1099 applicants,** request the last two years of tax returns or an IRS tax transcript (via “Get Transcript” on irs.gov) rather than relying on a bank statement or self-reported figure alone.
- **For small employers without an HR department,** a short video call with the owner or manager — asking basic, unscripted questions about the applicant's role and tenure — is a fast, low-cost way to confirm the employment relationship is real.

> **✓ APPLY THIS CONSISTENTLY**
>
> - Set a firm rule: no lease approval without at least one independent income confirmation, regardless of how strong the paperwork looks on its own. A convincing document is exactly what fraud is engineered to produce — polish is not evidence.

5. Confirm Identity

- Require a current, unexpired government-issued photo ID, and compare the photo against the applicant in person or on a live video call — not only a photo they upload.
- Cross-check the name, date of birth, and address on the ID against every other submitted document (pay stub, bank statement, application form). Inconsistencies between documents are one of the most common tells in synthetic-identity fraud.
- Where your budget allows, tenant-screening platforms increasingly offer ID-verification add-ons — document authentication plus a live selfie match — which catch altered or AI-generated IDs far more reliably than a human glance.
- Be cautious of an ID presented only as a photo or scan, never the physical card, especially paired with reluctance to do a live video call.
- Watch for an applicant who is unusually resistant to a live video call altogether — a legitimate applicant rarely objects to a five-minute call as part of a normal screening process.

6. Run Credit and Background Checks Correctly

Never accept a credit report, background check, or eviction history as a screenshot or PDF the applicant provides themselves — these are among the most commonly edited documents in the entire application, since a single negative line item is easy to crop or paste over.

- **Pull reports yourself** through an established tenant-screening service — platforms such as TransUnion SmartMove, RentSpree, or Experian RentBureau initiate the pull on your end, so the data comes straight from the bureau rather than through the applicant.
- **Get written authorization first.** This is a legal requirement under the Fair Credit Reporting Act (FCRA), not just good practice — see Section 9.
- **Apply the same minimum score, income, and background thresholds** to every applicant, and keep a record of the specific reason each applicant was approved or denied.

7. Verify Rental History

A common trick is listing a friend or relative as a “previous landlord” who will confirm a glowing, entirely fictional tenancy on request. Reduce that risk with the same independent-verification habit used for income:

- Look up the property the applicant claims to have rented and identify its actual owner or management company independently — through county property records or a simple public search — rather than calling only the number the applicant supplied on the application.
- Ask specific, hard-to-script questions: exact move-in and move-out dates, monthly rent amount, whether rent was ever paid late, and the stated reason for leaving. Vague, generic, or overly rehearsed-sounding answers are worth a second look.
- If the “landlord” is unusually eager, immediately available at any hour, or answers every question a little too perfectly and enthusiastically, treat that as a signal to dig further rather than reassurance that everything checks out.
- Where possible, cross-reference the claimed rent amount against typical market rents for that unit and area — a number that's implausibly low or high for the property is worth a follow-up question.

8. Structural Safeguards for Your Application Process

- **Use one all-in-one screening platform** for identity, credit, background, and eviction history where possible. Consolidating onto a single trusted platform reduces the number of places a forged standalone document can slip through unnoticed.
- **Require documents to arrive from the source, not the applicant,** whenever a service supports it: payroll-linked income verification, a direct bank-statement download or portal login, an employer-issued verification letter sent directly to you.
- **Do a live video call with every applicant** before approval. It's a low-effort step that deters casual fraud on its own and lets you visually confirm the applicant matches their submitted ID.
- **Keep every document and verification note on file** for as long as your state's record-retention requirements call for. This is your evidence trail if a dispute, discrimination complaint, or fraud case comes up later.
- **Slow down on urgency.** Pressure to skip steps — "I need to move in this week," an unusually high offer above asking rent, or reluctance to do a video call — is a pattern worth treating as a flag in itself, not just an inconvenient coincidence.
- **Standardize your intake form** so every applicant is asked for the same information in the same order — this makes gaps and inconsistencies easier to spot at a glance across applications.

9. Stay Compliant With New York Screening Law

Fraud prevention and fair housing compliance work together, not against each other, as long as your process is written down and applied uniformly to everyone. New York layers several specific statutory rules on top of the general federal framework — build every one of them into your standard process rather than treating them as exceptions to handle case by case.

9.1 Application fees are capped at $20

Under New York Real Property Law § 238-a, an application fee cannot exceed $20, or the actual cost of the background and credit check, whichever is less. If the applicant provides documentation of a background or credit check performed within the prior 30 days, you must waive the fee entirely rather than charging for a duplicate check.

- Give the applicant an itemized receipt showing what the fee covered.
- If you don't process the application, or the fee exceeds the actual cost of the checks you ran, refund the unused portion.
- This cap applies to landlords, lessors, and sub-lessors, including cooperative apartment rentals; guidance from the NY Department of State treats co-op and condo board purchase-application fees differently, but that guidance hasn't been written into the statute itself, so treat it as an unsettled area rather than a firm exception.

9.2 Security deposits are capped at one month's rent

Since the Housing Stability and Tenant Protection Act (HSTPA) of 2019, security deposits statewide — market-rate or rent-stabilized, furnished or not — cannot exceed one month's rent. This is a request-time issue, not just a move-in issue: don't structure an application around a “larger deposit to offset weaker paperwork,” since that structure itself is unlawful.

- No relabeled extra deposits — “cleaning deposit,” “pet deposit,” or similar refundable fees on top of the one-month cap are not permitted. A non-refundable pet fee, clearly disclosed in the lease as additional rent, is treated differently — confirm the distinction with counsel before relying on it.
- Once a tenant moves in, deposits must be returned with an itemized statement within 14 days of move-out, but the cap itself is worth verifying before you ever accept funds from an applicant.

9.3 Source-of-income discrimination is illegal statewide

New York's Human Rights Law (Executive Law § 296, amended 2019) bars discrimination based on an applicant's lawful source of income — this covers Section 8 and other housing vouchers, public assistance, Social Security and SSI/SSDI, child support and alimony, foster care subsidies, and other lawful government benefits. This protection applies across nearly all New York housing, with narrow exceptions for owner-occupied one- and two-family homes and certain senior housing.

- Don't advertise or screen with “no Section 8,” “no vouchers,” or “no DSS” language, even informally.
- Don't apply a different income-to-rent ratio, require extra guarantors, or route voucher applicants to different units because of how their income is paid.

- When calculating income-to-rent ratio, count the full value of the voucher or subsidy toward the applicant's income — excluding it is itself a form of source-of-income discrimination.

◆ **NYC ONLY — FAIR CHANCE FOR HOUSING ACT**

- **9.4 Criminal history screening is restricted and sequenced (Local Law 24 of 2024, effective January 1, 2025)**
- Applies only within the five boroughs of New York City, with an exemption for owner-occupied two-family homes and owner-occupied rooming situations.
- You may not ask about or consider criminal history until **after** evaluating the applicant on every other qualification and issuing a conditional approval, in writing, along with a copy of the lease or contract.
- Only then may you run a background check — and only sex-offense registry entries (no time limit), misdemeanors within three years of sentencing or release, and felonies within five years of completing the sentence may be considered.
- Sealed records, youthful-offender adjudications, and charges resolved in the applicant's favor may never be considered, and a conviction outside those time windows — however serious — is off-limits once the window has closed.

Outside New York City, state law does not impose this specific two-step sequence on private landlords, but the same discipline — decide on income, credit, and identity first, and treat a criminal record as a narrow, documented, individualized factor rather than an automatic disqualifier — reduces your legal exposure everywhere and is required practice for HUD-assisted housing statewide.

9.5 Other protected classes under New York and NYC Human Rights Law

Beyond the federal Fair Housing Act's protected classes (race, color, national origin, religion, sex, familial status, and disability), New York State's Human Rights Law adds creed, sexual orientation, gender identity or expression, military status, marital status, age, and lawful source of income. Within New York City, the NYC Human Rights Law extends this further still, adding categories including immigration or citizenship status, and — as covered above — arrest and conviction history. Apply your documented criteria identically across every one of these categories.

9.6 The federal FCRA still applies on top of state law

- **Written consent:** get the applicant's signed authorization before pulling any credit or background report.
- **Adverse action notice:** if a report contributes to a denial, send written notice explaining the reason, identifying the reporting agency, and describing how the applicant can obtain a free copy of the report and dispute inaccuracies.
- **Record retention:** keep applications, consent forms, reports, and denial notices on file — two years is a common baseline landlords use, though check whether a longer period applies to your specific reports or local rules.
- **Data handling:** Social Security numbers, ID scans, and financial documents collected during screening should be stored securely and disposed of properly once they're no longer needed for their original purpose.

New York's screening rules are amended and litigated actively — the $20 fee cap's co-op/condo carve-out and the NYC Fair Chance for Housing Act are both recent enough that guidance is still developing. Treat this section as a starting checklist rather than a complete legal summary, and confirm current requirements with a local attorney, the NY Division of Human Rights, or NYC's Commission on Human Rights before finalizing your own process.

10. Document Requirements at a Glance

A condensed reference for what to require, what it should prove, and how to verify it independently.

Document	What It Should Prove	Independent Verification Step
Photo ID	Identity matches the applicant	Compare in person or on a live video call; consider an ID-verification service.
Pay stub(s)	Current income	Call the employer via an independently sourced number; check the math and file metadata.
Bank statement	Income lands as claimed	Request a direct portal download; reconcile the running balance line by line.
Tax return / W-2	Annual income, especially for the self-employed	Cross-check against pay-stub figures; request an IRS transcript if unsure.
Credit / background report	Financial and rental risk	Pull it yourself via a licensed screening platform — never accept a screenshot.
Rental history	Track record with a prior landlord	Look up the property owner independently; ask specific, unscripted questions.

11. If You Discover Fraud

- **Deny consistently, on your written criteria.** Base the denial on the specific, documented criteria in your process — a forged document, a failed independent verification, a report that doesn't meet your published threshold — not on a general suspicion.
- **Document your reasoning in writing** at the time of the decision, including exactly what was verified and what didn't check out, and keep it in your records.
- **Send any legally required notices.** If the denial relies in whole or in part on a consumer report, you're required to send an FCRA adverse action notice.
- **Don't confront or accuse the applicant directly.** Communicate the denial through your standard process without alleging fraud outright — let your documentation, not a confrontation, carry the weight if it's ever questioned.
- **Refund what you owe.** New York caps application fees at $20 (or the actual cost of the checks, whichever is less) and requires an itemized receipt; if you deny an applicant or didn't use the full fee, refund the unused portion — this is a requirement under RPL § 238-a, not a courtesy.
- **Report identity theft where it applies.** If the application appears to use a stolen identity rather than just inflated figures, consider reporting it to local law enforcement and, in the U.S., the Federal Trade Commission via identitytheft.gov.
- If your screening platform or a landlord network has a fraud-reporting feature, use it — flagging a fraudulent applicant helps other landlords avoid the same attempt.

12. Quick-Reference Checklist

Keep this open next to every application you review.

Documents

- ☐ Every required document collected — none accepted as a forwarded screenshot.
- ☐ Pay-stub math, formatting, and file metadata checked.
- ☐ Names, date of birth, and address consistent across every submitted document.

Independent verification

- ☐ Employer confirmed via an independently sourced contact, not the applicant's.
- ☐ Credit and background report pulled directly through a licensed screening service.
- ☐ Previous landlord identified and confirmed independently.
- ☐ Live video call completed and ID visually matched.

Compliance — New York

- ☐ Same criteria applied as for every other applicant this cycle.
- ☐ Application fee ≤ $20 (or actual cost, whichever is less), or waived under the 30-day report rule — itemized receipt given.
- ☐ Security deposit, if any, does not exceed one month's rent — no relabeled extra deposits.
- ☐ No different treatment of applicants using a voucher or other lawful public assistance.
- ☐ (NYC only) Criminal history not requested until after conditional approval on all other criteria.
- ☐ Written FCRA authorization on file before pulling reports.
- ☐ Decision and reasoning documented and retained.

General guidance, not legal advice. This edition reflects New York State and New York City law as of 2026, including RPL § 238-a, the HSTPA security-deposit rules, NY Human Rights Law § 296, and NYC Local Law 24 of 2024 (Fair Chance for Housing Act) — all subject to change. Rules also vary by county and municipality outside NYC. Confirm current requirements with a local attorney, the NY Division of Human Rights, or NYC's Commission on Human Rights before finalizing your process.