

# Two Indicted in \$8.5 Million Nationwide Airbnb/Vrbo Scam that Allegedly Defrauded 1000s of Victims and Discriminated Against Renters

Thursday, January 4, 2024

## For Immediate Release

U.S. Attorney's Office, Central District of California

*LOS ANGELES* – A federal grand jury has indicted two men on federal fraud charges that allege a double-booking, bait-and-switch scam run through online property rental platforms – primarily Airbnb – that brought in more than \$8.5 million through misleading listings and fraudulently canceling reservations, which included discrimination against Black people, the Justice Department announced today.

Shray Goel, 35, of Miami, and Shaunik Raheja, 34, of Denver, were charged Wednesday in a superseding indictment that accuses them of fraud in connection with more than 10,000 reservations linked to nearly 100 properties across 10 states.

Goel was initially charged in an indictment returned on December 13. He was arrested in Florida on December 27 and was released on bond the following day. Raheja was added as a defendant in the superseding indictment. Both defendants are expected to be arraigned in United States District Court in Los Angeles in the coming weeks.

The superseding indictment alleges that Goel and Raheja owned and operated a short-term property rental business that they used to defraud Airbnb, Vrbo and guests renting properties through those platforms. The business operated under various names, including Abbot Pacific LLC.

Goel, Raheja and others who worked with them are alleged to have owned and leased properties throughout the United States for the rental business, including properties in

Los Angeles; Malibu, California; Marina Del Rey, California; Denver; Chicago; Davenport, Florida; Savannah, Georgia; Bloomington, Indiana; South Bend, Indiana; Cleveland; Nashville, Tennessee; Austin, Texas; Dallas and Milwaukee. By 2019, according to the superseding indictment, they were managing nearly 100 properties across the United States.

To carry out the fraudulent scheme, Goel and Raheja allegedly double-booked properties through multiple listings of the same property on Airbnb and Vrbo, and then invented bogus last-minute excuses – often claiming plumbing problems – to cancel overbooked guests or trick them into moving to inferior replacement accommodations. According to the superseding indictment, members of the conspiracy profited from the scheme by running a secret bidding war for the properties – meaning they posted multiple listings for the same property at different prices for the same night, allowed the highest bidder to rent a particular property, and then cancelled or switched the lower-paying guests to a different property in the area. The scheme also allegedly allowed Goel, Raheja and their co-conspirators to keep all of their properties in any given area at maximum capacity by using popular listings as bait to trick guests into booking those listings, and then steering overbooked guests at the last minute to less popular and open listings in the same area.

The superseding indictment further alleges that “Goel and Raheja made decisions about which guests to keep and which to cancel based in part on their racial prejudices and discrimination.” The defendants, according to the indictment, tried to avoid renting to guests they perceived to be Black and “in this way depriv[ed] these guests of their property interest in the reservations and otherwise caus[ed] these guests to suffer monetary losses when their reservations were cancelled.”

“This deplorable scheme victimized thousands of consumers and families across the country, some of whom allegedly were discriminated against because of racial bias,” said United States Attorney Martin Estrada. “Fueled by greed, the defendants deceived consumers about the locations and conditions of properties, canceled reservations to double-book properties and based on racial prejudices, and lied to victims leaving them scrambling to find last-minute replacement accommodations. The sheer number of victims is astonishing, as is the millions of dollars earned through the scheme that took advantage of the reputations of online rental platforms that offer a valuable service.”

“The defendants are charged with preying on unsuspecting travelers and robbing them of time and money, leaving them with no choice but to settle for inferior lodging at the last minute,” said Donald Alway, the Assistant Director in Charge of the FBI’s Los Angeles Field Office. “The conspiracy charge alleging that the defendants discriminated against potential renters based on their skin color is a reprehensible abuse which must not be

tolerated in the United States. The FBI will work with our federal partners and with the private sector to ensure business practices in the vacation rental industry are free of fraud and bias.”

“This indictment charges defendants for their alleged roles in a scheme to defraud Airbnb, Vrbo, and guests renting properties through those platforms,” said Special Agent in Charge Ryan Korner of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG). “FDIC-OIG remains steadfastly committed to protecting our nation and innocent victims by identifying and bringing to justice individuals who orchestrate these types of fraudulent schemes.”

According to the superseding indictment, Goel, Raheja and their co-schemers used fake host names and, in certain instances, other people’s identities to list properties. They allegedly used these fake host accounts to conceal their own identities, to double-book properties, and to post fabricated positive reviews of their properties. They were also allegedly using the fake host accounts to continue to list properties after they had been banned from Vrbo in 2015 because of repeated host cancellations and guest complaints.

In some cases, according to the superseding indictment, Goel, Raheja and their accomplices listed fake addresses, addresses that did not have any rental housing, were unaffiliated with the schemers, or did not exist at all – using these fake addresses to create duplicate listings for a single purported property. The fake addresses also allegedly allowed them to evade local rules and regulations governing short-term rentals, and to control who had access to properties.

To further their fraud, Goel and Raheja allegedly took steps to prevent negative reviews from affecting their business by falsely discrediting such reviews and otherwise trying to hide them from prospective future guests. According to the superseding indictment, they would post bogus negative reviews about the guests who had panned their listings or called out the fraudulent and deceptive listing practices, and they would remove negatively reviewed listings and then re-list the properties using new listing identifiers, thereby purging the bad reviews from the properties.

According to the superseding indictment, Goel and Raheja used these and other lies and misrepresentations to trick guests into booking properties they would not have otherwise booked and to keep payments from guests entitled to refunds. The last-minute nature of the cancellations also caused guests and the rental platforms to suffer losses when guests were forced to find alternative lodging at the last minute.

"In 2018 and 2019, in the course of the scheme and in furtherance of it, defendants Goel and Raheja and others working with them and at their direction booked more than 10,000 reservations through Airbnb, receiving more than \$7 million in payouts on those reservations; they booked additional and sometimes conflicting reservations through Vrbo and received more than \$1.5 million in additional payouts from those reservations," according to the indictment.

*An indictment is merely an allegation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.*

The superseding indictment charges Goel and Raheja with conspiracy to commit wire fraud and 13 counts of wire fraud. Goel is additionally charged with two counts of aggravated identity theft.

The conspiracy and wire fraud charges each carry a statutory maximum penalty of 20 years in federal prison. There is a two-year mandatory consecutive sentence for the aggravated identity theft counts.

The FBI and FDIC-OIG are investigating this matter. The Federal Housing Finance Agency – Office of Inspector General is assisting in the investigation.

Both Airbnb and Vrbo are cooperating with the government in this investigation, and the government recognizes and appreciates that cooperation.

Assistant United States Attorney Kerry L. Quinn of the Major Frauds Section is prosecuting the case.

### **Contact**

Thom Mrozek  
Director of Media Relations  
[thom.mrozek@usdoj.gov](mailto:thom.mrozek@usdoj.gov)  
(213) 894-6947

*Updated January 4, 2024*