



A Guide to Identifying Fraudulent Documents



An applicant with a fraudulent document is **7x more likely** to end in eviction or incur bad debt. Learn how Snappt can help you detect fraud.

How to Identify Fraudulent Documents

For landlords and property managers, a big headache comes from dealing with possible fake documents from folks looking to rent. These fraudulent documents can bring a whole bunch of issues, like losing out on rent money, damage to your place, and even legal headaches. Let's dive into how you can sniff out those sneaky fraudulent documents and make sure your properties and investments stay safe and sound.

Get to know the types of fraudulent documents

Fake bank statements and pay stubs

When a fraudster tries to get approved for an apartment, home, or loan, they may try to alter pay stubs and bank statements. Property managers and landlords can screen for this by using the latest AI technology to determine if a document has indeed been manipulated.

Fake IDs

Many fraudsters use fake IDs to set up false accounts and manipulate documents. Altered IDs may have discrepancies between the photo and the prospect's true physical appearance, typos or misspelled words, signatures that don't match, expired birth dates, or incorrect security features.

Forged documents

They are files in which the details have been tampered with - in other words, fraudsters can fully alter information or partially tweak it. Examples of document forgeries can include placing timestamps or watermarks on files, adding and removing pages, and digitally altering signatures.

Steps for Identifying fraudulent documents

1. Request original documents

When collecting documents from applicants, always insist on original documents, including government-issued IDs, social security cards, and pay stubs. Fraudsters commonly hand over altered copies of these types of documents, but the original versions are more challenging to fake. You can also check for holograms, watermarks, and other security features on IDs to ensure legitimacy.

2. Check for Inconsistencies

Inconsistencies in fonts, sizes, or colors can be a clear giveaway of document fraud. For example, if a document contains multiple font types or the alignment seems off, it could indicate that a fraudster has tampered with the original copy.

Documents altered to change the date can also be a sign of fraud. Scammers may make changes here to make it look like they are receiving money on a regular schedule when they actually aren't, or they may do it to make deadlines.

3. Look for Errors and Alterations

Any signs of erasures, alterations, or overwriting may indicate fraudulent activity. This includes inconsistent handwriting, use of correction fluid, or smudges. Keep an eye out for minor errors, such as spelling mistakes or inconsistent grammar. Fraudsters are relying on you speeding through the document and missing such mistakes. Slow down and read each sentence carefully to avoid this pitfall.

4. Verify Signatures

Did you know that a forged signature is one of the most common types of document fraud? When you're reviewing a document, always keep an eye out for the signature style and consistency. If it seems different from the real deal or looks shaky and hesitant, there's a good chance it's not legit.

Fraud at a Glance

7X

An applicant with a fraudulent document is 7x more likely to end in eviction or incur any bad debt

50%

50% of evictions in Metro Markets are a result of application fraud

85%

85% of property managers have experienced application fraud, which accounts for an estimated 25% of evictions

\$7,685

A typical eviction costs \$7,685 after unpaid rent, legal fees, and other charges are taken into account

Steps for Identifying fraudulent documents (cont.)

5. Examine Paper Quality and Watermarks

For documents received in person, there are additional things you should be aware of. Counterfeit documents may be printed on lower-quality paper or have missing or poor-quality watermarks. Hold the document to a light to check for a watermark and closely examine the paper's texture. If it looks suspicious, it's likely a fake.

6. Use Fraud Detection Technology

While knowing what to look for when examining documents is essential, the human eye simply can't catch everything. Technology has only improved over the years, making it easier for fraudsters to find new, imperceptible ways of altering their documents.

The upside is that fraud detection technology has dramatically improved, too! Investing in technology that can help detect document fraud is one of the best things you can do for your business. UV lights can reveal hidden security features on official paper documents, while software solutions can analyze signatures, verify identity, and check for any digital alterations.

7. Educate yourself

Educating yourself about common fraudulent document practices can help you identify various red flags. Get acquainted with common fraudulent tenant tactics and stay up to date with the latest industry trends in document fraud to better protect your investment.

Fraud detection is crucial for every business owner. It protects your company's reputation, finances, and overall integrity. While the methods fraudsters use may be growing more advanced, so are the tools and techniques available to combat them. By staying vigilant and investing in preventative measures, you can ensure your business remains secure and trustworthy.

At Snappt, we detect fake bank statements and pay stubs submitted to property managers. Our AI-enabled fraud detection software is designed to deter fraudulent activity so property owners and managers can rest easily. We catch 99.8% of edited documents, an unmatched accuracy rate in the industry.

To learn more about our fraud detection, visit snappt.com