



Outsmarting Applicant Fraud

The Power of
Fraud Forensics



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Introduction

Fake pay stubs, forged bank statements, synthetic IDs—the documents fraudsters use to con property managers haven't changed much over the past few decades. But the methods they use? They've evolved light years, helping fraudsters outsmart property managers.

Modern-day fraudsters leverage powerful technology to get through tenant screening processes and wreak financial havoc on property managers. They're using:

- Artificial intelligence (AI), like FraudGPT
- Fake document generators
- Fraud-as-a-Service (FaaS)
- Social media to find how-to tutorials for committing fraud

And the impact is far-reaching—from increased evictions and operational strain to serious financial consequences.

[Our applicant fraud report](#) revealed that the average amount of bad debt per property manager due to fraudulent applications is over \$1M. [And TransUnion found that 43% of property managers](#) faced increased evictions due to fraud.

What's worse, [another survey of property managers](#) reported that 60% have experienced fraud, with a whopping 84% citing altered documents as the biggest challenge.

Fraud is impacting a majority of property managers, and it's costing them millions, driving up evictions, and putting tenants at their properties at risk.

Despite its prevalence, a third of property managers admitted in the TransUnion survey

that they don't use formal tools to combat fraud. The result? They rely on manual reviews that can't catch fraudsters using modern tactics.

You need to be proactive to combat fraud, using advanced tools and relying on expert analysis. **You need fraud forensics.**

We're breaking down fraud forensics, common tactics used by fraudsters, recent trends to look out for, and how our Fraud Forensics team can help you stop income fraud before you welcome a fraudulent resident into your community.

Did you know?

84%

of property managers cited fraud as one of their biggest challenges.

43%

of property managers said they experienced increased evictions due to fraud.

Source: 2024 TransUnion survey

“AI is a game-changer for fraudsters. If you don’t have the proper coverage for your property, there are real dangers.”

Reydauid Julio,
Innovation and Solutions
Manager at Snappt

What is Fraud Forensics?

James Stilwell, Director of Fraud Operations at Snappt, explains fraud forensics as “an all-encompassing effort to stay in front of fraud. It encompasses our research and development efforts, [including] going through and looking at documents and determining whether they’re fraudulent. It’s also looking at the fraud marketplace as a whole, and understanding what’s going on.”

Our Fraud Forensics team carefully examines the fraud marketplace, identifying trends and investigating the latest schemes. We infiltrate fraud rings, purchase documents from them, and study generative AI (GenAI) to understand fraud and how we can fight it to protect property managers.

Fraud Forensics for Property Management

With fraud rates rising—up 1.2% from 2024—leasing agents can’t afford to let fraudulent applicants slip through the cracks in the tenant screening process. But they’re not forensic experts, and they shouldn’t have to be.

That’s why more and more property managers are partnering with providers like Snappt to stop applicant fraud before it starts. We invest substantial time and money into fraud forensics and use our insights to provide the strongest defense against fraud.

Leasing agents shouldn’t have to become fraud forensics investigators to defend against fraud.



The Evolution of Fraud

As advancements in technology become more widely accessible, savvy fraudsters have embraced more sophisticated methods for committing fraud. From Photoshop to AI, we're exploring how income fraud has evolved over the years.

Manipulated Documents

Before AI gained widespread adoption and the fraud marketplace became commonplace, bad actors manipulated documents, like pay stubs and bank statements, using Photoshop.

Fraudsters would purchase a template or fillable PDF and manipulate the information, like an employer name or inflated income. "That was more or less the extent of fraud. So, they were either buying a cheap fake document, or they were photoshopping a document that they already had to suit their needs," explained James.

While this is still a popular tactic, more sophisticated methods and tools are quickly outpacing one person using Photoshop.

Synthetic Identity Creation

As fraud detection software made it increasingly difficult for fraudsters to do what they do best, they turned to more creative ways to trick property managers. They started creating synthetic identities—new identities made up of a mix of real and fake information.

“They’re creating advanced forgeries, creating documents from the ground up to mirror what a real document would be, as well as looking at other ways of getting through the system.”

James Stilwell,
Director of Fraud Operations

“Synthetic fraud is the fastest-growing type of identity fraud, [accounting for an estimated 85 percent of all identity fraud in the country](#),” said the National Apartment Association. And fraudsters are using fake verification portals and throwaway emails to do it.

They’re also stealing legitimate identities and submitting clean documents to leasing agents, but the agents don’t realize that the documents don’t actually belong to the person submitting them.

Third-Party Fraud Services

Like any other service, you can hire someone to help you carry out fraud, either by giving you access to tools or providing services that facilitate fraudulent activities. Known as fraud-as-a-service (FaaS), this online marketplace makes it easier than ever to commit fraud and scam property managers.

No technical skills? No problem. Fraudsters go to these online marketplaces or social media, hire someone, and get falsified documents, tools, how-to guides, or other services in a matter of days.

Inception Fraud

Fraud is constantly changing, with fraudsters using new techniques or technology to help them con property managers. One of the latest schemes? Inception fraud.

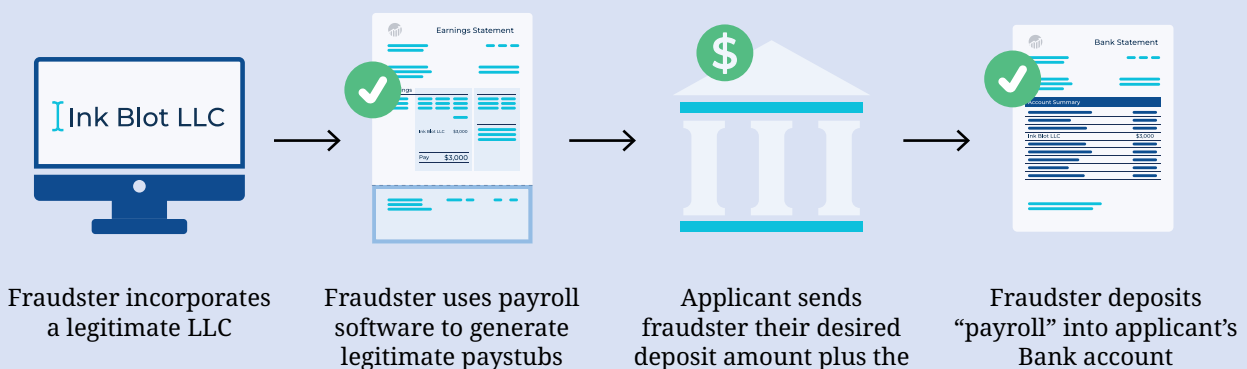
Inception fraud is the practice of using a real pay stub from a real company by an applicant who doesn't actually work there or receive paychecks from the business. Because the pay stub and company are legit, traditional screening processes don't flag it as fraudulent.

Timing and Application Strategies

Not all advancements in application fraud require high-tech tools or services. Savvy fraudsters are going old school—keeping it simple by applying for a lease on the weekend or a holiday to try to slip through the system.

They're also flooding a property with lease applications to overwhelm the property management team in hopes of getting approved because the leasing agents are too overwhelmed to thoroughly review the applications or documents.

How Inception Fraud Works



Geographic Hotspots for Fraud

Curious about what cities have the highest application fraud rates or if your city made the list? We've rounded up the top 10 cities and major metro areas around the country.

Top 10 Major Metro Areas with the Highest Volume of Fraud

	Metro Area	Fraud Rate
1	Memphis, TN-MS-AR	14.7%
2	Brunswick-St. Simons, GA	13.7%
3	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	12.7%
4	Savannah, GA	12.1%
5	Urban Honolulu, HI	11.4%
6	Mobile, AL	11.1%
7	Provo-Orem-Lehi, UT	9.4%
8	Houston-Pasadena-The Woodlands, TX	9.3%
9	Dallas-Fort Worth-Arlington, TX	9.0%
10	Jacksonville, FL	8.8%

Top 10 Cities with the Highest Volume of Fraud

	City	Fraud Rate
1	Desoto, TX	23.3%
2	Stockbridge, GA	19.7%
3	Hurst, TX	19.4%
4	Canoga Park, CA	17.7%
5	Clarkston, GA	17.0%
6	Decatur, GA	16.5%
7	American Fork, UT	16.5%
8	Amityville, NY	15.5%
9	Memphis, TN	14.7%
10	Morrow, GA	13.7%

How Our Fraud Forensics Team Operates

Snappt's Fraud Forensics team operates at the intersection of cutting-edge technology and expert human analysis. Our approach begins with a significant investment in research and development—powering proprietary machine learning models that are purpose-built to detect anomalies in income documentation.

These models are trained on millions of data points and continuously refined as fraud tactics evolve, ensuring we stay ahead of emerging threats. This investment allows us to move beyond basic detection and into nuanced forensics, understanding not just if a document is fraudulent, but how it was manipulated.

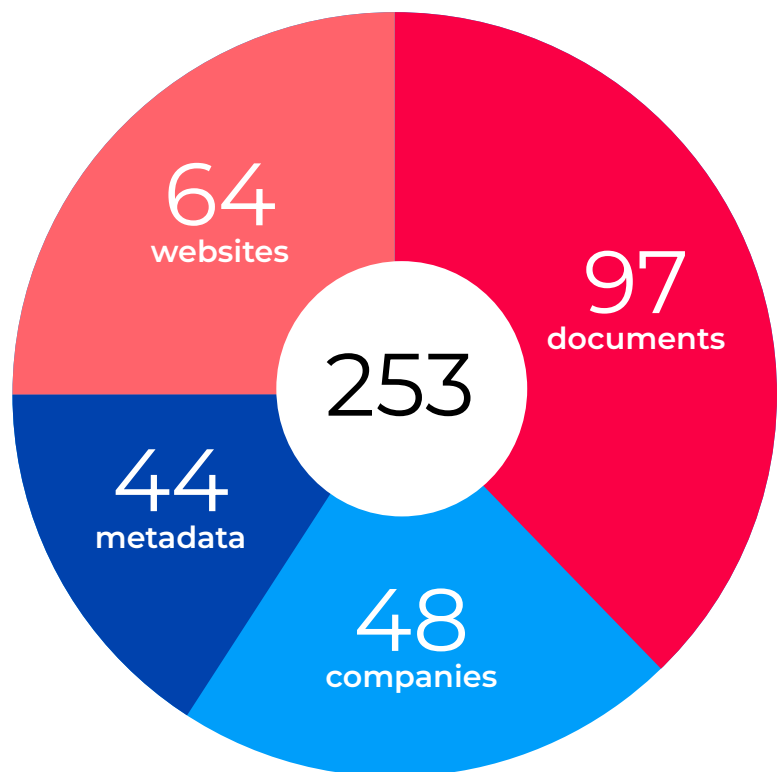
Our team leverages a dual-layered system combining automation with human expertise. First, documents are screened using our AI engine, which flags inconsistencies, unusual metadata patterns, and formatting irregularities. From there, our trained forensic analysts conduct a deeper manual

Our current Allow List holds 2,120 documents and our Threat List has 253, including 97 documents, 64 websites, 44 metadata, and 48 companies.

review on high-risk cases, using specialized tools and cross-referencing with our internal allow and threat lists. These lists—built and maintained in-house—help us identify known good actors and repeat offenders, adding critical context to each investigation.

This model enables us to catch sophisticated fraud attempts that would slip through traditional systems, while also reducing false positives that could unfairly penalize honest applicants.

Threat List Breakdown



“Once fraudsters become residents, the dangers and damages only compound. Delinquencies and evictions are expensive and take significant time and effort to enact. In the meantime, the other residents might be at risk with fraudsters nearby.”

Maitri Johnson,
SVP, Tenant and Employment
at TransUnion

Building a Strong Defense Against Fraud

Fraud has become increasingly difficult to spot thanks to FaaS, advanced software, and new techniques fraudsters deploy to get through your tenant screening process undetected.

It forces you to be reactive—evicting tenants after they've become residents, paying thousands to do so, or dealing with ramifications within your community.

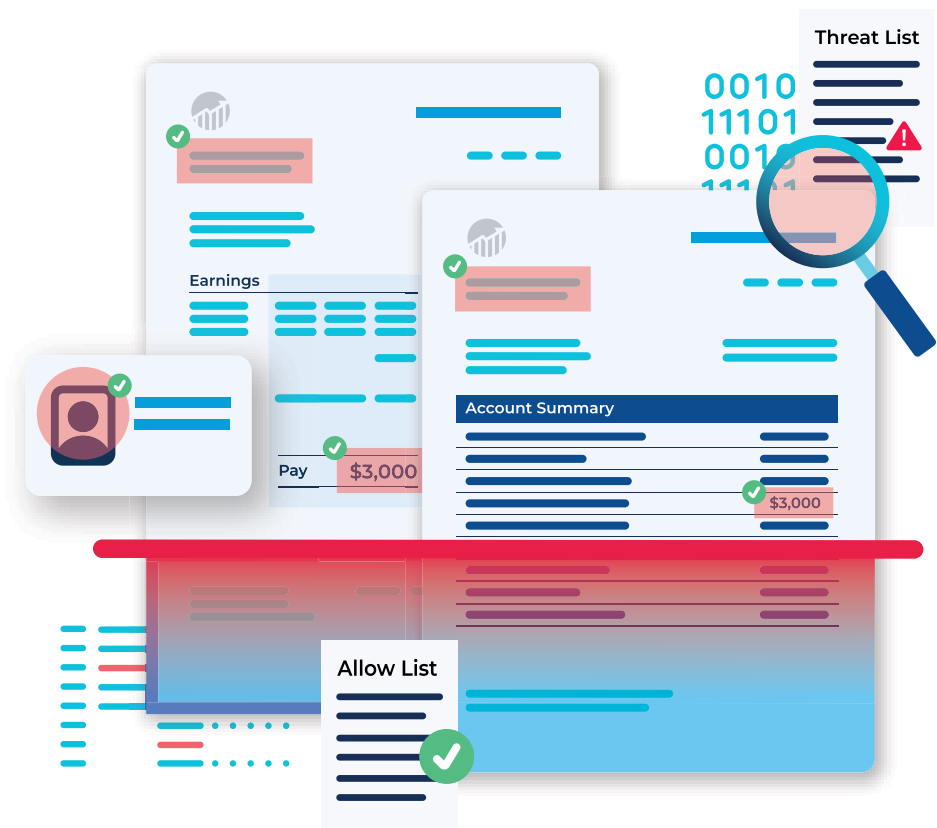
But fraud forensics allows you to be proactive, preventing fraudsters from becoming residents in the first place. Our Fraud Forensics team finds the latest methods, marketplaces, and tools fraudsters use to scam property managers, keeping you in the know and better protecting your rental properties.

Without a proactive approach to fraud, it's easy for bad actors and forged documents to make

it through your screening process without you even realizing it until it's too late.

Let's say an applicant—one trying to pull one over on you—uses FaaS to hire someone to create almost undetectable fraudulent documents. Because you don't use a fraud detection tool and have to rely on manual processes, the applicant gets approved and signs a lease with you.

You find out too late and now face costly evictions.



Snappt sets a new standard in fraud detection, surpassing traditional screening providers that rely on outdated static checks and basic document reviews. Our AI-powered multi-layer technology fuses data-driven fraud detection with the precision of a dedicated fraud forensics team.

This combination of human analysis and best-in-class technology doesn't just catch the obvious red flags—it exposes the sophisticated manipulation tactics that routinely evade conventional systems. Backed by ongoing R&D and direct infiltration of fraud rings, Snappt stays ahead of evolving fraud trends, delivering the strongest, most proactive defense available to property managers today.

The best way to fight fraud is to stop it before it starts. Snappt's powerful platform, backed by a team of expert fraud analysts, helps you prevent costly evictions and keeps your community secure.

Snappt Stats

83,590

Fraudulent applications found in 2024 alone.

\$49K+

is the amount Snappt has saved property managers in just the first quarter of 2025.

\$10M+

Annual R&D investment

\$4M+

Annual investment in fraud forensics

Source: Snappt Database



Fraud moves fast.
Snappt moves faster.

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