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**MAYOR ADAMS ANNOUNCES OFFICE OF SPECIAL ENFORCEMENT LAWSUIT
AGAINST ILLEGAL SHORT-TERM RENTAL OPERATION**

Suit Alleges That Licensed Real Estate Broker Arron Latimer Used Dozens of Listings and Fake Host Accounts to Generate \$2 Million in Payouts From Airbnb

First Suit Filed Against Operation Identified Using New York City's 2021 Booking Service Data Reporting Law

NEW YORK – New York City Mayor Eric Adams and New York City Mayor's Office of Special Enforcement (OSE) Executive Director Christian J. Klossner today announced a [new lawsuit](#) to shut down an illegal short-term rental operation at a building located in Turtle Bay. According to the lawsuit, defendant Arron Latimer — a licensed real estate broker — as well as building owner Apex Management and managing member Esther Yip used a number of LLCs they control to run a complex and illegal short-term rental operation at 344 East 51st Street utilizing popular online lodging websites, like Airbnb. The suit represents the city's first lawsuit against a short-term rental operation identified using data obtained through the city's law — Local Law 146 of 2018, amended by LL 64 of 2020 — requiring online short-term rental platforms to regularly report data on bookings to the city.

"Safe, stable, and affordable housing is fundamental to a prosperous city, so we will not allow bad actors to deplete our housing stock and undermine our hospitality sector," said **Mayor Adams**. "For years, Arron Latimer and the other defendants used fake host profiles on popular sites like Airbnb to deceive and lure unsuspecting guests into paying for substandard lodging at illegal rental listings. Not only did they unlawfully pocket millions, but they endangered guests and deprived New Yorkers of an entire building's worth of long-term housing. Today, we are sending a clear message that this kind of lawlessness will not be tolerated in our city. We are not going to stand by while shady brokers use illegal listings and fake host accounts to skirt the law and defraud consumers."

"This suit shows the city's determination to preserve every unit of housing we have, and helps meet our commitment to ensure that all our neighbors have a safe, stable, affordable place to call home," said **New York City Chief Housing Officer Jessica Katz**.

“This operator used fake names, false addresses, and a smokescreen of LLCs to attempt to hide this illegal operation, but will now be held accountable.” said **Christian Klossner, executive director, Mayor’s Office of Special Enforcement**. “This lawsuit underscores the necessity of robust reporting requirements for booking platforms, and why the city needs the short-term rental registration program that will take effect in 2023.”

The suit alleges that the three defendants continued to run their unlawful operation despite multiple enforcement efforts from the city, which issued violations for the illegal short-term rentals and for the building’s numerous hazardous conditions, including an inadequate fire alarm system, an inadequate fire sprinkler system, and a failure to provide required means of egress.

Between January of 2018 and March of 2022, Airbnb records show that the platform disbursed \$2 million in payments to Latimer for short-term rentals at six buildings throughout the city, including at least \$987,729 from the building targeted in the lawsuit on East 51st Street. During this timeframe, Latimer used more than 26 distinct host accounts, operated more than 78 listings, conducted more than 2,200 transactions, and deceived more than 6,500 guests.

The city’s suit further asserts Latimer intentionally misled and endangered consumers, in potential violation of the city’s consumer protection law. Additionally, guest reviews described the location as “astonishingly dirty,” with complaints of mold, soiled linens, and blood stains, as well as robotic or automated communication with their host. Other guests advised that future visitors should “be aware that the address or listing is different than the actual location.”

“Illegal hotels drive up housing costs and hurt neighbors, and they have no place in New York,” said **Rich Maroko, president, Hotel Trades Council**. “We thank Mayor Adams and his Office of Special Enforcement for taking action against those that willfully violate our housing laws at the expense of New York City residents. With enforcement actions like this, we can help make the city more affordable and more livable, as well as promote safer, legitimate accommodations for tourists.”

“As we rebuild from the COVID-19 crisis and find real solutions to the current affordable housing crisis, illegal short term rentals are not the safe or reliable solution. We need a steady affordable housing stock, which is critical to the safety and livelihood of New Yorkers and our city,” said **U.S. Representative Carolyn Maloney**. “But across New York City, LLCs own apartments to hide illegal activities such as what’s happening in Turtle Bay. This is an issue that has been persistent for decades, which is why I authored and passed the Corporate Transparency Act, requiring companies to disclose their true, beneficial owners at the time the company is formed to prevent bad actors from using anonymous shell companies to thwart law enforcement and hide their illicit activities. While the law is currently being implemented at the federal level, I applaud Mayor Adams for holding bad actors accountable.”

“Every illegal short-term rental in our city represents a unit of housing that is not available for real New Yorkers to live in,” said **New York State Senator Liz Krueger**. “In the middle of an ongoing affordable housing crisis, every single unit matters. The fact that OSE was able to use the city’s new short-term rental data reporting law to support this lawsuit is a great victory and an exciting precedent for future actions. Thank you to Council Member Carlina Rivera for pushing that legislation, and to OSE for continuing to do this important work to protect housing in our city.”

"New York City faces a dire housing crisis, and now more than ever, we need affordable housing that's safe, stable, and accessible," said **New York City Council Member Keith Powers**. "That means not allowing anyone to take housing off the market for their own commercial use. I commend Mayor Adams for his work and for standing up for our city's needs."

"Illegal hotel operators exacerbate the city's ongoing housing crisis by removing residential units from the market and instead renting them short term to turn a profit," said **New York City Council Member Pierina Sanchez, chair, Committee on Housing and Buildings**. "I commend the mayor and the Office of Special Enforcement for using data obtained through the city's local laws to file a case against this operator. As leaders, it is incumbent upon us to protect New York City's housing stock and to promote more permanent affordable housing for the lowest-income New Yorkers."

"During the present housing crisis of both limited stock and increasing rents, we applaud the mayor, the administration, and OSE for their tireless work to maintain and support vital housing for New Yorkers," said **Tom Cayler, chair, Coalition Against Illegal Hotels**. "Both the reporting law of 2018, and the yet-to-go-into-effect registration law of 2021 will help the city return apartments previously used as illegal hotels. The mayor's commitment to this vital work should be a bellwether to all illegal short-term operators: Stop breaking our laws!"

"The enforcement of laws regulating the short-term rental scheme could not be more important than at this critical time when there is a housing crisis and tenants across the city are suffering. Let's bring an end to the practice of bad actors making a profit at the expense of tenants who need affordable places to live," said **Leslie Thrope, executive director, Housing Conservation Coordinators**.

New York City's [booking service data reporting law](#) requires online short-term rental platforms to periodically provide OSE with information about transactions for certain listings. These reports include the physical address of the short-term rental (as reported to the booking service by the host), the URL of the short-term rental listing, details pertaining to the scope of the short-term rental transaction, and information relating to the identity of the host, including contact information and associated bank accounts to which payouts were made.

New York City's [short-term rental registration law](#) — which goes into effect in January 2023 — will require rental hosts in New York City to register with the city and will prevent platforms, like Airbnb, from processing transactions unless the registration information matches a city database.

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