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## **NEW YORK CITY ANNOUNCES LAWSUIT AGAINST THREE ILLEGAL HOTEL OPERATORS**

*Operators generated approximately \$1 million from 5,000 visitors at seven buildings*

**NEW YORK**—New York City today announced a lawsuit against a group of illegal hotel operators for using deceptive practices to offer illegal and unsafe short-term rental accommodations in Downtown Manhattan, Brooklyn and Queens. This is the first lawsuit that the City has filed against illegal hotel operators across multiple boroughs.

For more than three years, the defendants used multiple host accounts with fictitious identities to illegally advertise at least 15 housing units in seven buildings across three boroughs. On several occasions, the defendants also misled guests about the legality of the listings using false addresses and deceptive explanations for guests' interaction with city inspectors. The Mayor's Office of Special Enforcement has also identified 10 bookings for future dates.

"Illegal hotel operators pose a threat to our housing stock and our neighborhoods. We will use any tools necessary to shut them down and keep New Yorkers safe," said **Mayor Bill de Blasio**.

"This is highly commercialized activity where operators are misleading visitors and taking housing units away from New Yorkers—and they're making a fortune in the process. We're taking action to preserve the city's housing stock and to defend visitors' rights to safe and legal accommodations," said **Christian Klossner, Executive Director of the Mayor's Office of Special Enforcement**.

The defendants in the suit include Alexandra Pavlenok, Ekaterina Plotnikova, and Stepan Solovyev. The seven buildings are located at the following addresses:

- 12 John Street, New York
- 40 Water Street, New York
- 151 Stanton Street, New York
- 153 Stanton Street, New York
- 159 Bleecker Street, New York
- 238 Gates Avenue, Brooklyn
- 17-12 Menahan Street, Queens

OSE has taken extensive enforcement action to combat the defendants' illegal activity, including issuing 80 violations from Department of Buildings inspectors, a partial vacate order based on "imminent danger to life or public safety," nine fire violation orders, five fire summonses and one fire criminal summons issued to the owners of the buildings. Seven OSE advertising summonses were issued directly to operators.

Brooklyn and Queens have experienced particularly significant growth in short-term rental listings over the past few years. The City's recently passed information sharing requirements for short-term rental platforms (Local Law 146-A) will give OSE important tools to more effectively and efficiently identify unscrupulous operators and landlords, and help deter these violations.

"Illegal hotel operators like the ones in this suit exacerbate the City's housing affordability crisis. Shady profiteers like these that use our badly needed housing stock to turn a quick buck are shameful, and this is a perfect example of why we need to maintain enforcement efforts against this harmful behavior. I am thankful that the Office of Special Enforcement is continuing its work to combat this pressing problem. The Council will continue to address this crisis in any way it can as well," said **Council Speaker Corey Johnson**.

"Our ongoing housing crisis means we can't afford to have units taken off the market to be used as hotel rooms. I thank the Office of Special Enforcement for its tireless work: shutting down illegal hotel operations, protecting tenants and tourists alike from illegal and unsafe conditions, and restoring residential apartments to the residential market," said **Manhattan Borough President Gale A. Brewer**.

"The lawsuit filed today against three commercial operators of units on Airbnb and other platforms in Manhattan, Queens, and Brooklyn is an excellent example of the Office of Special Enforcement's precedent-setting efforts to rid our city of illegal hotels. These operators have earned over \$1 million by engineering thousands of illegal hotel stays in apartments that should be homes for New Yorkers. I want to thank Mayor de Blasio and Executive Director Klossner for their ongoing efforts to protect our housing stock from illegal conversion – of profound importance as New York City continues to undergo an affordable housing crisis," said **Council Member Helen Rosenthal**.

"With hundreds of thousands of families fighting tooth and nail to stay in their homes or languishing on the waitlist for affordable housing across the city – especially in Lower Manhattan – no one should be able to get away with shamelessly converting residential units into illegal hotels," said **Council Member Margaret S. Chin**. "Thank you to the Office of Special Enforcement for holding operators accountable for depriving working New Yorkers of a chance to move into these units and potentially putting lives at risk. This lawsuit sends a strong message that our City is taking decisive action to operators who are taking advantage of the citywide housing crisis to prioritize profit over people."

"Illegal hotels threaten the security and well-being of everyday New Yorkers in their own homes, and exacerbate our city's affordable housing crisis. The commercial Airbnb hosts that are the subject of today's lawsuit have earned over \$1 million dollars by flouting the law and illegally transforming more than a dozen homes that should have been rented to New Yorkers into short-term rentals. When people ask me why I am angry at Airbnb and their corporate model of not

respecting our laws, this is why. I thank the Mayor's Office of Special Enforcement for their work on these buildings, and for their continuing efforts to crack down on illegal hotels and protect public safety," said **Senator Liz Kruger**.

"Illegal hotels pose a severe threat to our city's affordable housing stock, the quality of life of my constituents and the safety and well-being of unsuspecting tourists. I'm grateful to the Mayor's Office of Special Enforcement for throwing the book at these illegal hotel operators who are brazenly flouting the law on a breathtaking scale," said **Senator Brad Hoylman**.

"Airbnb, and the commercial operators who use it, may think they can recklessly fleece our city's housing stock for their own profit, but they are sorely mistaken," said **Assembly Member Linda B. Rosenthal**. "The lawsuit filed today by the Office of Special Enforcement sends a crystal clear message to commercial operators citywide that our laws are there for a reason. As the sponsor of the state law to ban advertising of illegal short-term rentals, I am gratified that our city's enforcement arm is working to ensure that the law is used to preserve affordability and protect tenants citywide."

"Mayor de Blasio's Office of Special Enforcement is serious about cracking down on bad actors who profiteer off residential apartments by illegally renting them out as hotel rooms. Illegal hotel operators put the safety of legal tenants at risk and reduce New York's stock of desperately needed affordable housing, and they face serious consequences for doing it," said **Assembly Member Richard N. Gottfried**.

"We applaud the Mayor's Office for sending the message that NYC will fight for its housing. Big time commercial illegal hotel operators will not be allowed to take away homes from New Yorkers," **Tom Cayler, West Side Neighborhood Alliance**.

#### **About The Mayor's Office of Special Enforcement**

The Mayor's Office of Special Enforcement is an innovative, solutions-oriented task force that ensures NYC communities are safe from harmful illegal and unregulated industries that one agency and one set of enforcement tools alone can't address. Our multi-agency enforcement team devises strategic solutions—ranging from public education to enforcement action—to complex problems.

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