

Shooting, Sex Crime and Theft: Airbnb Takes Halting Steps to Protect Its Users

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Employees who pushed for more stringent safety measures were overruled; ‘This is the challenge of the internet era’

By Kirsten Grind and Shane Shifflet, *The Wall Street Journal*, Dec. 26, 2019 10:40 am ET

Airbnb Inc. employees had a proposal in 2017 for making the home-sharing platform safer for both hosts and guests. Everyone who signs up, they suggested, should have to provide a government identification such as a driver’s license. The company had suffered through a string of embarrassing safety problems, including prostitution, theft and voyeuristic hosts using cameras to watch guests. An ID requirement might deter bad actors, the employees argued. It wasn’t the first time members of Airbnb’s trust and safety team had made such a proposal, according to people familiar with the discussions. Once again, after heated debate, other company executives, including co-founder and Chief Executive Brian Chesky, rejected it. Airbnb had studied the issue and found that some users would stop signing up if asked to produce ID, said the people familiar with the discussions.

San Francisco-based Airbnb, which is preparing to go public next year in a highly anticipated IPO, blossomed into a \$31-billion behemoth by following the growth-first mantra that has defined Silicon Valley for years. Now it is grappling with the question that could consume the tech industry in the coming decade: How much responsibility should companies assume for bad things that happen on their platforms?

On Halloween night, Airbnb got a reminder of what was at stake. Gunmen entered an out-of-control house party in Orinda, Calif., and opened fire, killing five people. The home had been rented out on Airbnb, then advertised on social media as a “mansion party.” Days later, Mr. Chesky said Airbnb would launch a 24/7 “Neighbor Hotline” staffed with a rapid-response team to field complaints, expand its screening of “high-risk” reservations flagged by internal systems, and begin verifying all seven million of its property listings for accuracy and quality. “We are redoubling our efforts to combat unauthorized parties and get rid of abusive host and guest conduct,” he wrote in a series of tweets. Later that week, Mr. Chesky said the company needed to “take more responsibility for the stuff on our platform. This has been a gradual, maybe too gradual, transition for our industry.”

In early December, after *The Wall Street Journal* provided Airbnb with written questions about safety issues, the company announced details and additional measures, including a commitment to spend \$150 million on safety initiatives and the creation of a dedicated line where city officials could contact the company when issues arise. In an interview, Margaret Richardson, Airbnb’s vice president of trust, who focuses on user safety, said Airbnb has been innovating on safety issues throughout its history. “Our aspiration is to keep getting better and better on safety and doing everything that we can to address the issues that have been raised,” she said. She said that requiring all members to provide a government ID, however, would exclude some Airbnb members who don’t have them, like those in some developing countries. She said the company has its own systems for verifying identities, which relies on phone numbers, social-media accounts and payment instruments. “This is the challenge of the internet era,” she said. “How do people’s online identities and offline identities – how do you match them?” Airbnb declined to make Mr. Chesky available for comment.

Airbnb said an average of two million people are booked into its listings world-wide each night. In the 12 months ended July 31, it said, 0.05% of trips had a safety-related issue reported by a guest or a host. It said it has more than 50 employees reviewing what it calls high-risk reservations. It doesn’t disclose other statistics about safety. Airbnb’s platform doesn’t list the addresses of properties, providing them to users only upon booking. To examine the issue of problem properties, the Journal looked at data from several cities that require short-term rental licenses, then cross-checked those addresses against police records. There were hundreds of instances of crimes at licensed short-term rental properties on platforms such as Airbnb, including burglaries, sexual assaults and murders. Some occurred at properties that had been subject to previous police activity, or involved individuals with prior police records.

In Minnetonka, Minn., Airbnb guest Derrick Kinchen climbed into bed with the 7-year-old daughter of the Airbnb family hosting him in September 2017, according to the Hennepin County Attorney’s Office. The girl’s father walked in to find the girl’s nightgown pulled up and Mr. Kinchen lying next to her naked and aroused. The father immediately called the police. Mr. Kinchen was charged with second-degree criminal sexual conduct of a victim under 13. Mr. Kinchen had an extensive criminal record over the prior decade, including at least four

misdemeanor convictions for false reports to authority, drug possession and stealing, records show. He pleaded guilty last year in the Airbnb case, court records show. In a brief interview, he confirmed his prior criminal history but declined to comment further. His criminal history wasn't disclosed to his Airbnb hosts. Airbnb spokesman Christopher Nulty said the company ran a background check on him, but removes only members with serious criminal conviction histories, such as felony burglary. Airbnb said it isn't able to disclose specific results of a user's background check to other members.

Convicted sex offender Phillip Bailey, who police said hadn't appeared in court on four misdemeanor charges in North Carolina, including stalking and assault on a female, rented an Airbnb with his wife in North Carolina in early 2018. His Airbnb hosts discovered weapons and drugs in his room and called police, who arrested him on the earlier matters, according to High Point, N.C., arrest records. He couldn't be reached for comment. Mr. Nulty, the Airbnb spokesman, said after the company analyzed the incident, "our team addressed a vulnerability in our process that prevented this user from being flagged and removed by our background check system as he should have been."

The way Airbnb handles problems on its platform is likely to be a focus for investors and regulators as the company prepares to go public. Airbnb was founded in 2008, billing itself as a trusted platform where guests could connect with hosts offering rooms, apartments or entire houses. It is now the largest home-sharing platform in the U.S. One of the first uproars over public safety came in 2011 after a host blogged about her home being destroyed by an Airbnb guest. "They took my camera, my iPod, an old laptop and my external backup drive filled with photos, journals...my entire life," the anonymous host wrote. The post went viral, and the public outrage caught Airbnb executives by surprise. At the time, Airbnb's trust and safety team was run by just a few people. The company quickly hired more, and the unit eventually swelled to about 300 employees.

From the start, the team butted up against employees in charge of expanding the company, according to some former employees. It unsuccessfully fought for more frequent and stringent background checks, they said. Mr. Nulty, the spokesman, said Airbnb screens all hosts and guests globally against terrorist and sanctions watch lists, and that U.S. residents receive more screening, such as sex-offender registrations and felony conviction checks. When it screens users, Airbnb generally doesn't ask for a Social Security number—a requirement that some experts on background checks said would be an impediment to criminals using fake names. Airbnb's Ms. Richardson said running background checks is seen by some as discriminatory against certain groups, including formerly incarcerated people. Some advocates for criminal-justice reform, she said, have advised the company "that doing background checks is not appropriate, and that people are unnecessarily excluded from travel" because of old criminal records.

Some cities have complained that Airbnb has been too hands-off in addressing safety, leaving the cities themselves to police properties and guests. The Journal's analysis of available records from Nashville and New Orleans – two popular Airbnb destinations that require short-term rental licenses – identified about 500 properties that had been subject to police activity. Dozens of properties were involved in multiple incidents. The total number of listed properties in those two cities ranged from about 2,400 to 9,500 during the relevant times. Although Airbnb isn't the only property-sharing site operating in those cities, a dozen of the property owners in each city contacted by the Journal all said they were listed on Airbnb and confirmed there were police incidents at their properties.

Airbnb's Mr. Nulty said the company had more than 772,000 reservations in Nashville and 366,000 in New Orleans during the periods in question. He said Airbnb works closely with New Orleans and has met repeatedly with Nashville officials. "We've had over 500 million guest arrivals on Airbnb," Mr. Nulty said, "and negative incidents are very rare." Airbnb relies heavily on a review system to provide feedback to prospective guests. Each host receives an overall review of up to five stars, and their pages show comments on recent stays. Airbnb leaves it up to guests to read the reviews of properties before making reservations.

Not all complaints, though, are visible. If a host or a guest complains to the company about a review by another party, Airbnb sometimes will remove both members' reviews rather than mediate the issue, according to people familiar with the company's system for handling reviews. And Airbnb holds both a guest's and host's review for two weeks after a visit – a policy intended to discourage members from retaliating against one another. Airbnb

said it would take down a review for several reasons, including if a member is trying to extort another member or if the review is deemed “irrelevant” to a visit. It also will remove a review if a member mentions a continuing internal investigation by the company into a visit.

The property where New York software sales consultant Erik Zambrano stayed in Tulum, Mexico, earlier this year had many positive reviews on Airbnb, he said. On the first night he and three friends stayed there, thieves broke in and stole a computer and some jewelry. The thieves came back the subsequent two days while the guests were out, despite multiple complaints to the property’s manager and Airbnb, according to Mr. Zambrano. When he returned to New York, Mr. Zambrano said, he looked up the property again and saw claims by other reviewers that they, too, had been robbed there. According to Airbnb, it received two reviews from guests claiming they were robbed before Mr. Zambrano’s stay. One review, labeled ****WARNING****, said the property-management team stole cash, credit cards and a laptop. That guest said he complained to Airbnb.

Because Airbnb holds reviews for 14 days, one of the reviews didn’t post until Mr. Zambrano was already at the property, and the second didn’t post until after he returned. Airbnb pulled the property from the platform in March, more than two months after Mr. Zambrano’s stay. Mr. Nulty said that when Airbnb receives reports about security, it asks the host to address them, and if it receives multiple reports, listings are subject to removal. That is what it did in Mr. Zambrano’s case, he said.

Airbnb frequently strikes out-of-court monetary settlements to resolve complaints from guests and hosts. In 2017 alone, it made hundreds of such settlements involving refunds, credits or cash, according to people familiar with the matter. In return, users signed agreements saying they wouldn’t file a future claim. Mr. Nulty said: “We believe that when guests have experiences that fall below our high standards, it is our responsibility to make every effort to remedy the situation.” He said Airbnb had 130 million guest arrivals in 2017. The company said 0.03% of trips resulted in a “significant claim” being paid out, which it defined as \$500 or more.

In March, after a party drew a flurry of neighbor complaints, city manager Steve Salomon and a police official told the property hosts in a conference call: no more parties and no more noise. In a follow-up email, the city told property owners Michael Wang and Wenlin Luo not to allow more than 13 people on the property at any time, and to change their Airbnb listing to reflect that, according to records reviewed by the Journal. It isn’t clear whether they complied. Ms. Luo declined to comment on behalf of herself and Mr. Wang.

On Halloween night, more than 100 people showed up for what had been advertised on social media as “An Airbnb mansion party.” Next-door neighbors Shahin and Sean Saki heard gunshots around 10:30 p.m. Partygoers began fleeing in panic. “It was chaos,” said Mr. Saki. In late November, two men were arrested in connection with the shooting. In the days after the shooting, Airbnb said it was in close touch with the police chief and attempted to engage with other city officials, Mr. Nulty said. Orinda held an hours-long council meeting to debate whether to end short-term housing such as Airbnb. Neighbors, some in tears, gave impassioned speeches. The city imposed a temporary ban on short-term rentals when the owner isn’t present.

The city manager said he invited Airbnb representatives to attend. No one did.

—Lisa Schwartz contributed to this article.

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