
JPOMA WEBINAR | TENANT APPLICATION FRAUD

16 NOVEMBER 2020



A REAL-LIFE SCENARIO

1. Prospective tenant (Tenant A) applies for accommodation in building
2. Tenant A is a producer of fraudulent documents
3. Tenant A forms relationship with Agent (Agent A) and suggests way to work together
4. Agent A recruits Building Manager (Building Manager A) to refer house seeker without papers
5. Agent A recruits Leasing Administrator A
6. Leasing Administrator A recruits other Leasing Administrators
7. Fraudulent documents are channeled carefully to avoid detection and to bypass the system
8. Everybody gets paid

TIPS TO MITIGATE AND PREVENT FRAUDULENT APPLICATIONS

1. Do not take vetting lightly. Check supporting documents thoroughly.
2. Train staff and agents continuously on how to spot fake documents.
3. Perform a credit check.
4. Confirmation of employment not to be taken lightly.
5. Confirmation of previous residence to be obtained wherever possible.
6. Do not assume anything regarding the authenticity of documents.
7. Do not assume anything regarding an applicant.
8. Always ensure segregation of duties
9. Proper oversight is necessary.
10. Promote a culture of ethical behaviour.
11. Know the law as it applies to letting to foreign nationals.

KNOW THE LAW AS IT APPLIES TO LETTING TO FOREIGN NATIONALS

1. Legally, landlords are permitted to let their property out to foreigners, provided the foreigner is in the country legally.
2. The Immigration Act states that letting to an illegal foreigner, is classified as aiding and abetting an illegal foreigner, and this is a criminal offence.
3. The Immigration Act defines a “legal foreigner” as a person in possession of either a valid visa that entitles them to study, work or do business in South Africa for a certain period, or a permanent residence permit approved by the Department of Home Affairs.
4. Temporary residence permits that exist are: a visitor’s permit, a work or entrepreneurial permit and a retired person permit. Any of these are valid permits for a foreign individual in South Africa to hold.
5. Should a foreign tenant default on their rent, they can be blacklisted or receive an adverse listing.