Lawsuit accuses realtor.com of defrauding agents

A former employee of Move Inc., the parent company overseeing realtor.com, is suing Move, accusing it of defrauding realtor.com's agent clients by charging them for services they never ordered or received, and of billing their credit cards without authorization.

In an eight-count amended complaint filed in Los Angeles Superior Court on Jan. 3, former Move sales rep Brian Bobik alleges he was wrongfully terminated from Move, a News Corp. subsidiary, in March 2017, in retaliation for objecting to and refusing to participate in what he believed to be unlawful conduct.

Bobik also alleges he was terminated because he requested accommodations for a disability, attention deficit disorder, such as being allowed to wear an earpiece to drown out noise and to sit on an exercise ball, rather than a chair, at his desk.

In an emailed statement, realtor.com spokesperson Janice McDill told Inman: "The allegations are without merit, and we will defend the case vigorously. Beyond that, as a matter of policy on legal matters, we will have no further comment."

'So many lies'

Brian Bobik

According to the complaint, Bobik was employed at Move as an account executive starting in September 2014. His compensation "relied very heavily on commissions" and his duties included "making a hundred calls a day" and meeting monthly sales quotas.

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In an interview with Inman, Bobik said he sold lead packages by ZIP code to agents paying to advertise on realtor.com. A few months into the job, he became aware of practices he described as "unethical and fraudulent."

"There are so many lies told over the telephone to get real estate agents to pay for these leads. 'Oh, we'll make up for the bad ones. You won't get rentals. You won't get timeshares. If you do, we'll take care of them.' Yeah, right," Bobik said.

In a given lead package, half the leads promised to agents turn out to be "bogus" leads, according to Bobik.

"There's a lot of fake names, there's a lot of homeowners just inquiring, there's a lot of scammers trying to sell their wares," he said.

"Before signing up, sales reps tell [agents], 'No problem, if you get any of those, we'll make it up

at the back end of your contract to make sure you get what you're paying for.' That's false."

Bobik also alleged Move sales reps told agents they were not entering into a contract when they were; that they could cancel the service any time, which they couldn't; and that the leads they got would not be shared with any other agents, which they were.

In addition, Bobik says that if agents cancelled a credit card after being unhappy with the leads realtor.com provided for a particular ZIP code, Move's vice president of sales, Leo Jay, would instruct Move sales reps to continue charging the agent for the underperforming ZIP code using another credit card the agent had on file — without the agent's permission.

Allegations against realtor.com similar to Bobik's appear on the online business ratings and reviews website, sitejabber.com. Of the 432 reviews, nearly two-thirds (273) are one-star reviews, many complaining of low-quality leads and alleging the site's lead program is a "scam."

"Real estate agents are being taken advantage of every day at realtor.com," Bobik said.

Response from NAR

Bobik believes Move will settle the lawsuit, but he hopes that sharing his experience will prompt a change in the culture on the sales floor at realtor.com and impel the National Association of Realtors (NAR) to take "swift action." NAR owns realtor.com, but Move subsidiary RealSelect runs the site on behalf of the 1.3 million-member trade group under the terms of a 1996 operating agreement, amended multiple times over the years.

Asked for comment on the lawsuit and Bobik's desire to see NAR intervene, NAR spokesperson Sara Wiskerchen sent Inman an emailed statement reading, in part:

"Our acting General Counsel Ralph Holmen has reviewed the complaint. It involves exclusively in employment dispute between Move and a former employee, about which we had no previous knowledge of or information about and cannot comment at this time. The Operating Agreement does not address Move employment matters or the conduct of Move sales staff in any way, nor do we think it would be appropriate for NAR to be involved in such internal Move operational matters."

This is not the first time an ad sales rep has filed a lawsuit alleging fraud at a major third-party listing portal. In 2014, an inside sales consultant at realtor.com archrival Zillow alleged the site was helping lenders violate a federal anti-kickback law by letting them pay more than their fair share of an agent's advertising costs.

Zillow later revealed that the federal Consumer Financial Protection Bureau (CFPB) began investigating the company shortly thereafter. Neither the CFPB nor Zillow has yet announced the results of that investigation.

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