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Associations wary after two arrested for condo thefts

By: Fallan Patterson

Board members and associations around Broward County are on guard after two people were arrested recently for stealing more than \$600,000 from two area condominiums.

Pamela Lyn Csolkovits was arrested July 16 on charges of stealing nearly \$500,000 over four years from the Surf Rider Condominium in Pompano Beach, while Mark R. Hilton III was arrested on charges of taking \$166,646 from Casablanca Isles Condominium Association in Boynton Beach.

The arrests have given rise to concerns that associations, which are typically run by volunteers, are at risk of being defrauded. Said **Donna Berger**, executive director of the **Community Advocacy Network**, "Community association boards sometimes present a particularly attractive target to those wishing to perpetrate a fraud."

There are steps associations can take to lower their risk. One step is to require board members, management companies and newly elected boards to insure that each deposit and withdrawal is accurate.

Also, speaking to the association's bank about fraud prevention can add protections for management companies.

Each check should require two signatures, and a monthly examination of the association's accounts can detect any early issues.

"In bad times, employees who might not otherwise be tempted to commit fraud may become so worried about their jobs and personal finances that they might be

tempted to exploit any weaknesses in your association's financial controls to steal money or association property," Berger said.

"Community leaders cannot abrogate their responsibilities solely by hiring management to contract with a bookkeeping service," said Lisa Magill, an attorney with Becker & Poliakoff. "While the volunteer leaders are not expected to become experts, they must have a basic understanding of the association's finances."

Board members can take other fraud-prevention measures such as installing accounting software that compiles comparison charts and highlights discrepancies.

Authorities stress that if a board finds evidence of fraud, that evidence should be documented and taken to the local police department.

Assistant condo ombudsman Bill Raphan said he cautions overzealous board members against accusing others of fraud.

Board members must present hard evidence to police, Raphan said, as authorities hear often of these types of crimes and have limited resources.

"In this economic climate, it is more important than ever that the board be vigilant in all aspects of the association's operation and management," Berger said. "Being proactive by implementing fraud-prevention protocol can save your association time and money by avoiding or minimizing fraud losses in the future."