

WHEN THE FRAUD GETS PERSONAL AND DANGEROUS

Little did I know when I answered the full page advertisement in the prestigious New York Sunday Times about the prestigious pool builder that I would endure and uncover a combination of one of the most bizarre examples of financial and criminal fraud that you could ever imagine.

When Al¹ came to our house to audition for our pool construction, he came complete with handouts, references, state licenses and a video presentation. Not only was the presentation marvelous, but he had the creativity to locate the pool exactly where we wanted it, a spot where other contractors said it could not be done. We were ecstatic about the possibilities and over the next several visits signed the basic contract and two additional addendums. Of course, we put down the obligatory significant down payment and agreed to a series of other payments based on certain benchmarks. Bob, the ex-pool owner, who worked for Al quickly gained our trust and began the measurements and destruction of our yard almost immediately. We were happy with their prompt service.

Staring at the large hole in our backyard and after \$22,000 in payments, we began to wonder when the job would be finished. Al had gotten busy doing a big job in the ritzy town a few miles away. Would we like to see the video to prove it? Bob, our main contact, now profusely apologized for the delays but said we will be extremely happy in the end.

¹ Name changed to protect the guilty

After interminable delays, I finally called the Consumer Protection Division of our State to confirm Al was a licensed operator and to file a complaint about Al. As it turned out, he had a previously outstanding judgment that he owed the State Division because they had reimbursed another homeowner and his license was up for renewal. It could not be renewed unless restitution was made to the State. When I inquired how he got his license renewed last time since the “debt” was many years ago, they informed me the licensing and Consumer Protection do not coordinate with each other. So much for the effectiveness of licensing! Fortunately for us, after the submission of reams of paperwork, the State started to make inquiries about mysterious Al, since he was now not allowed to conduct business in the State because Al’s license was suspended. The ritzy town customer was also bilked by Al – to the tune of \$90,000 and had also filed a complaint. Ultimately, the State police got involved since “Elusive Al” was just that – nowhere to be found. By tracing Social Security numbers and other aliases “pool Al” had perpetrated this fraud in many states on many homeowners. The Ponzi scheme for pools using money from future victims to finish the work of prior victims worked well until I caught up with him. But Al was so audacious, he would sometimes use the same scheme in the same state! The real surprise came when the State finally agreed to reimburse us 100% for amount paid to Al under the home improvement laws of the state and a thank you from the state police for informing them.

Al had done us a favor. By having three contracts instead of one, we were able to exceed the reimbursement limits usually imposed by Consumer Protection. The state police

thanked us because it turned out that “mysterious Al” had been convicted, sentenced and incarcerated for a serious sexual crime in California in the early 80’s and had escaped. He had been on the lam for over 10 years when my CFE techniques finally caught up with him. Crime didn’t pay for “Elusive Al”, it paid him back.

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