

# Reporting Homeowner Association Abuse/Fraud

HOA abuse and fraud is very common and widespread. Some of the most common forms of abuse/fraud are listed in the article on this website, page 5 (“More Issues”) - “Most Common Forms of HOA Fraud.”

As for Hidden Valley Lake Assn., it has a **very long and well-known history** of mismanagement and corrupt business practices. The recent audit of 2014 as well as the Reserve Study of 2015, the Golf Consult of 2015, the IT (technical) audit of 2015 and the Election Committee Review of Election Practices of 2015 all have clearly revealed gross mismanagement. They have also alluded to likely corruption. The Assn. (HVLA), its Board and other groups within HVLA have steadfastly, over many years, acted so as to conceal mismanagement and corruption from the members, the outside public and regulatory agencies. They have also acted to discourage or otherwise suppress any dissention. You can help end this.

Unfortunately, and especially in California, between current laws (Davis-Stirling Act and CA Corp. Code) and powerful HOA Industry groups (CAI, ECHO), homeowners do not have power comparable to Boards. There is no single CA State agency that regulates HOA’s.

**However**, there are some Federal Agencies that will, or have been known to, investigate HOA abuse/fraud. There are also several CA and National non-profit consumer groups that have an interest in our plight.

## **Basic rules for reporting:**

1. Follow any instructions given by the source to which you are reporting.
2. Be as brief as possible.
3. Report ONLY what YOU have seen or experienced, first-hand.
4. Be as specific as possible regarding the effect(s) upon YOU of the abuse/fraud.

## **BEST Sources for Complaints:**

1. FBI, San Francisco Office - <https://www.fbi.gov/about-us/investigate/corruption>  
Most types of fraud, e.g., theft, embezzlement, illegal use of email/phones/mail (to obtain contracts), safety code violations, election rigging, online hate-speech. Submit complaints by email or mail.
2. IRS – Form 3949A – “Information Referral.”  
The IRS is very interested in what is called “Private Inurement and Excessive Benefits Transactions” within non-profit corporations. This basically means any employee, Board member or vendor using the non-profit corp. for personal benefit or enrichment, or receiving excessive remuneration.
3. Consumer Financial Protection Bureau - <http://www.consumerfinance.gov/complaint/>  
This Federal agency deals with (among other things) improper handling of foreclosures by

HOA's.

4. Federal Trade Commission - <https://www.ftc.gov/contact>

With regard to HOA's, this agency deals with "consumer protection" from fraudulent business practices.

5. Congressman Mike Thompson - <https://mikethompson.house.gov/contact/email-me>

You can send an email, call or write. If you do, please ask for or direct correspondence to "Brad Onorato, Senior District Representative."

The following Government sources are UNLIKELY to offer any assistance:

1. CA Bureau of Real Estate - <http://dre.ca.gov/Consumers/FileComplaint.html>

Denies any jurisdiction over HOA's

2. CA State Attorney General - [http://oag.ca.gov/consumers/general/homeowner\\_assn](http://oag.ca.gov/consumers/general/homeowner_assn)

Has jurisdiction over CA Corp. Codes and the Davis-Stirling Act, but will Only forward your complaint onward to the HOA. It is then up to the HOA to respond or not. No penalty if they do not respond!

4. Lake County Grand Jury - [http://www.co.lake.ca.us/Government/Boards/Grand\\_Jury.htm](http://www.co.lake.ca.us/Government/Boards/Grand_Jury.htm)

5. Lake County Sheriff, Brian Martin - <http://www.lakesheriff.com/>

6. District 4, Assemblyman Bill Dodd - <http://asmdc.org/members/a04/>

7. District 2, Senator Mike McGuire - <http://sd02.senate.ca.gov/>

The following "watch-dog" organizations **may** be worthwhile contacting.

1. Ripoff Report - <http://www.ripoffreport.com/>

2. CA Common Sense - <http://cacs.org/contact/>

3. Consumer Watchdog - <http://www.consumerwatchdog.org/node/add/complaint>

4. Watchdog.org - <http://watchdog.org/contact/>

Don't Bother Contacting:

1. Lake County District Attorney - Too many reports of bias and corruption.

2. Any Lake County News Media - Too many reports of bias & avoidance of controversy.