

**IN THE CIRCUIT /COUNTY COURT IN THE TENTH JUDICIAL CIRCUIT  
IN AND FOR POLK COUNTY, FLORIDA**

**ARRESTING AGENCY/REPORT #** SAO 2012-029

**DATE/TIME OF ARREST:** 3/12/2013

**ARRESTING OFFICER:** Investigator Stephen R. Menge, MBA, CFE

**PLACE OF ARREST:**

**PROSECUTION APPROVED:**  3/12/13

     **NOTICE TO APPEAR**   X   **COMPLAINT AFFIDAVIT**      **ARREST REPORT**

**The undersigned affiant swears that he has just and reasonable grounds to believe that between April 2008 and August 2012 at the location of 101 Golden Malay Palm Way, Davenport, POLK County, Florida**

**Name (Last,First, MI):** Meadows, Linda C

**Address:** 400 Saddleworth PL, Lake Mary, FL 32746      **Telephone:** 407-948-3315

**R/S:** W/F **Ht.** 5'03 **Wt.**      **Hair:** Bro **Eyes:** Bro **DOB:** 07/28/1942 **POB:** Florida

**Soc. Sec#:** [REDACTED] **Driver's License #:** [REDACTED] **Marital Status:** Married

**Scars:**      **Complexion:** Fair

**Occupation:**

**Employer:** Self

**Committed the Offenses of:**

- |                            |                           |                         |
|----------------------------|---------------------------|-------------------------|
| 1. Scheme to Defraud       | <b>FSS:</b> 817.034(4)a1  | <b>Level/Degree:</b> F1 |
| 2. Grand Theft Over \$100K | <b>FSS:</b> 812.014(1)b2a | <b>Level/Degree:</b> F1 |
| 3. FL Money Laundering Act | <b>FSS:</b> 896.101(5)c   | <b>Level/Degree:</b> F1 |
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**Probable Cause:**

Linda Meadows is the wife of co-defendant David Meadows who currently serves the Island Club Resort Home Owners Association (HOA) in the capacity of Director. Over the past few years Linda Meadows has previously served the HOA under the name of Linda C Clark and has held positions of Secretary and Treasurer for the HOA. As a board member, Linda Meadows had a fiduciary duty of good faith, trust, and confidence to the members of the HOA.

Through the position she held, Linda Meadows did help and assist another person (David Meadows) to commit multiple criminal violations. The engagement of criminal activity resulted in Linda Meadows receiving direct payments of monies as well as personal debts being paid for using proceeds derived from unlawful activities. Over the course of 4 years, Linda Meadows did receive and benefit from monies obtained from the victims in excess of \$100,000.00.

### **Scheme to Defraud Orchestrated by David Meadows**

Between the dates of 4/17/08 and 8/29/12, David Meadows did engage in a systematic ongoing course of conduct with the intent to defraud one or more persons who are members of the Island Club Resort Home Owners Association (HOA) located at 101 Golden Malay Palm Way in Davenport, Florida. Meadows served the HOA in the capacity of the HOA President who held a fiduciary duty of good faith, trust, and confidence to its members.

During this time period, David Meadows engaged in self-dealing contracts between the HOA and Island Club Resort Development, Inc which is a company owned by David Meadows. It was through his position and business relationship that Meadows financially exploited the HOA by using its funds to routinely transfer money to the Development Company and two other companies that he owned. Additionally, Meadows used and directed his employees to use multiple HOA checks to pay bills, repair equipment, issue payroll checks, and purchase supplies unrelated to the HOA. The value of money diverted from the HOA over this four year time period is in excess of \$100,000.

### ***Transfers of funds***

Sanda Andrews was an employee of David Meadows who made her living as an accountant for the past 30 years. Andrews stated when she was hired she spent weeks attempting to make sense of the company books. In the books, there were multiple bank accounts and multiple transfer accounts. Andrews stated that transferring funds from the HOA to Meadows companies occurred on a routine basis. Andrews described a constant need for cash flow between bank accounts and identified a specific check #1003 as an example of a transfer of money.

Check #1003 dated 10/20/10 was made payable to Island Club Resort Development in the amount of \$21,000 and indicated "Transfer" on the memo line. Andrews stated when she came to work for Meadows, accounts were overdrawn and the company had bounced checks. She advised if an account ran out of money, they would take funds from another account that had funds and made a transfer. An example Andrews cited was that *"if Island Club Resort Development needed to make its payroll, we would get the money from another account and transfer money."* Andrews stated she and other office staff had no authority to make transfers on their own. All transfers were done at the direction of David Meadows. Andrews stated *"the manner they were transferring funds, to me, I felt there was a great shell game going on."* Andrews stated that there was no invoice associated with any transfer of monies she handled.

Paula Wipf was an employee of David Meadows who has over 30 years' experience in accounting. Wipf stated that David Meadows authorized every cash transaction and transfer of funds. The HOA had no board in place to authorize any transfer of funds. Wipf described a weekly money report that was provided to Meadows that identified all monies taken in and all bills due that week. Meadows would then authorize the transfer of funds and the payment of bills.

Wipf referenced check #1004 which was a \$4,000 check issued to Four Points Utility on 10/20/10. She identified this check as a *loan* to Four Points Utility which is unrelated to the HOA. Wipf stated that at the end of the year, those transfers were reclassified in the books as coming from Island Club Resort. Four Points was short on money and a transfer from the HOA was made so they could pay their bills. David Meadows authorized the transfer of these funds. Wipf described that the situation with loaning money as “*very very cloudy*.” The books documented the transfers in their inter-company transfers with no invoice associated with the transfer.

### ***Fraudulent Billing Scheme***

In efforts to justify the routine transfers of money, Meadows did orchestrate a fraudulent billing scheme.

*A Fraudulent billing scheme is where the perpetrator approved his own purchases or approves his own invoices even though there are insufficient revenues being generated for the purported work being done. (Assn Certified Fraud Examiners)*

Disregarding his fiduciary roll to the HOA, Meadows made his Development Company the HOA’s primary vendor and engaged in self-dealing contracts for personal benefit. Invoices obtained from the HOA revealed routine billings from the Development Company to the HOA. Items identified for routine billing included: repairs to a lift station that belonged to Bimini Bay Utility, double billing for “management fees”, collection letters to individuals, building repairs, and legal fees. These monthly invoices far exceeded the Dues revenue being collected by home owners. The dates and amounts indicated on the invoices issued to the HOA, did not match or correspond with the dates or the amount of money transferred from the HOA.

Annual Invoices from Island Club Development to HOA

2008	\$ -	No Invoices Identified
2009	\$ 170,169.24	
2010	\$ 699,308.06	
2011	\$ 565,849.62	
2012	\$ 336,773.59	Through July 2012

Invoices provided by the HOA failed to identify any invoices from Bimini Bay Utilities or Four Points Utility.

### **Grand Theft**

Certified financial records of the Island Club Resort HOA, the Development Company, Bimini Bay Utilities and Four Points Utilities were obtained and examined. Transfers of money from the HOA were identified as having been made to companies belonging to David Meadows. David Meadows did knowingly obtain and use money belonging to the Island Club Resort Home Owners Association with the intent to either temporarily or permanently deprive the HOA the right or benefit of the property. Through the use of financial transactions, Meadows did appropriate HOA funds for his own use and the use of companies unrelated to the HOA. The value of those funds were in excess of \$100,000.00.

#### ***Transfers to Bimini Bay Utilities Corporation***

Between the dates of 2/18/09 and 10/18/11, David Meadows did make multiple transfers of money to a company owned by him. Through the use of issuing checks and online transfers, David Meadows did transfer money totaling **\$104,061.95** from accounts belonging to Island Club Resort HOA to the accounts of Bimini Bay Utility Corporation (BBU). BBU was a water and waste water company providing billing and water services to the individual home owners residing in Island Club Resort. BBU was not a vendor nor did it provide services to the HOA. No invoices have been issued to the HOA and no known contracts exist between Bimini Bay Utilities and the HOA.

#### ***Transfers to Four Points Utility Corporation***

Between the dates of 4/28/09 and 1/18/11, David Meadows did make multiple transfers of money to a company owned by him. Through the use of issuing checks and one online transfer, David Meadows did transfer money totaling **\$32,400.00** from accounts belonging to Island Club Resort HOA to the accounts of Four Points Utility Corporation. Four Points Utility Corporation was a water and waste water company providing billing and water service to the individual home owners of the Island Club West community located at 3100 Sand Mine Rd in Davenport, FL. Four Points was not a vendor nor did it provide services to the HOA. No invoices have been issued to the HOA and no known contracts exist between Four Points and the HOA. In an interview with Paula Wipf, Wipf believed the HOA had loaned Four Points money to pay its bills. This loan was authorized by David Meadows.

#### ***Transfers of money used to make payroll (Southeast Personnel Leasing)***

Southeast Personnel Leasing (SEPL) is the company used by the Development company that provides payroll services to Development employees. These employees worked at the identified five companies operating under the Development company. Managers employed by Meadows advised that employees were required to document their hours worked for the various companies over the course of a work week. These hours worked would then be billed to the company where work was performed.

Robert Treanor (Project Manager) advised the Development company had approximately 15 employees working various tasks throughout the week. These tasks were spread over the five identified companies. These tasks included lawn care and maintenance for two communities, meter reading, office staff working for various companies, vacation and rental staff. According to Treanor, he could not recall any instance where the employees worked 100% for the HOA.

According to Sanda Andrews, whenever an account would run out of money, they would get that money from another account. Andrews specifically used the example *"Like if Island Club Resort Development needed to make its payroll, we would get the money from another account and transfer the money."* An examination of financial records for the HOA and the Development accounts revealed Andrews example.

Invoices for payroll billed from SEPL between 7/29/10 and 4/26/12 were reviewed and compared to the bank records of Island Club Resort Development and Island Club Resort HOA. The examination showed that on the dates that SEPL invoiced the Development company, a transfer of money would be made from the HOA account to the Development account. The transfer would occur on the same date or within a day or two of the SEPL invoice. On at least 3 instances, the dollar amount invoiced from SEPL was identical to the dollar amount transferred from the HOA account. In most cases, several thousand dollars more than the SEPL invoice was transferred to the Development account. A check or a wire transfer was then sent to SEPL paying the invoice.

Between 7/29/10 and 8/29/12, all invoices from SEPL to the Development company totaled \$590,633.48 for billed payroll. During that same time period, transfers from the HOA to the Development account totaled \$747,350.47. The amount transferred exceeded the SEPL billed amount by over 125%. The HOA had no invoices from the Development company for the identified transfers of money. Nor were there any invoices identifying billable hours for work performed by Development employees.

Considering that employees worked for five separate companies throughout the week, the average amount of hours billed to each company should have been around 20% of the invoiced amount. Allowing for the HOA to be billed at 50% of all invoiced work hours, the Development company overbilled or transferred funds from the HOA that were in excess of the appropriate amount.

Through the use of multiple financial transactions, David Meadows did knowingly obtain and used the funds of the HOA with the intent to either temporarily or permanently deprive the HOA of its use. Meadows did appropriate funds belonging to the HOA and then used those funds to cover his company's payroll. The funds used are valued at **\$295,316.24.**

***Checks Issued from HOA Account to pay bills associated with Meadows' businesses***

Employees interviewed who served in managerial positions for David Meadows advised that the HOA did not have any employees, owned no equipment, and owned no property. Tangible Tax returns obtained for the HOA confirmed these statements and showed no property or equipment claimed on the HOA's taxes.

Between the dates of 4/17/08 and 4/19/12, multiple checks were identified as having been issued from the HOA's account. Checks were identified as having paid for such items as: equipment repairs, irrigation repairs, employee payroll, electric service, fuel, shopping, and OSHA violations unrelated to the HOA.

Equipment repairs. Multiple checks were identified as having been provided to companies and people who repaired lawn equipment owned by the Development company. Certified invoices were obtained from several service providers confirming repairs to equipment. The HOA owned no equipment.

Irrigation repairs. Although Meadows routinely billed the HOA through invoices for irrigation repairs, a multitude of checks indicated payments for irrigation supplies.

Employee payroll. Although the HOA had no employees, multiple checks were identified as having been paid to listed employees of David Meadows. These amounts were in addition to those funds routinely transferred for payroll to SEPL. Also identified in these payments were payments made to Linda Meadows in excess of \$9,267.00.

Electric service. Multiple checks were identified as having been sent to Progress Energy. The payments were associated with address locations owned by David Meadows' Development company. Certified Progress Energy records revealed no accounts exist in the name of Island Club Resort Home Owners Association. All payments were identified as having been applied to service locations with the customer name of Island Club Resort Development, Inc. The company owned by David Meadows.

Fuel and shopping. Statements made by Regina Nax, Robert Treanor, and Tracy Duvall reveal that the lift stations pump belonged to Bimini Bay Utilities. Multiple checks were issued for parts and replacement items for the lift station as well as fuel purchases.

OSHA violation. The US Department of Labor-OSHA located in Tampa indicated that Island Club Resort Development Inc. /David Meadows had been cited for violations under case #315274076. As a result of that citation, a fine was imposed on Meadows and his company. This fine was subsequently paid for using funds belonging to the HOA.

Between the dates of 4/17/08 and 4/19/12, David Meadows did knowingly obtain and use the funds of the HOA to pay bills not associated with the HOA. Meadows did use these funds with the intent to permanently or temporarily deprive the HOA of its use. The value of funds used by David Meadows is valued at **\$151,917.27**.

## **Scheme to Defraud**

Through the use of an orchestrated scheme to defraud, David Meadows accessed funds belonging to the Island Club Resort Home Owners Association (HOA). Over the time period of 2008 to 2012, David Meadows did conduct multiple financial transactions involving money that he knew were the proceeds of an unlawful activity (scheme to defraud). Meadows did so with the intent to conceal or disguise the location, the ownership, and control of the proceeds that were derived from a specified unlawful activity. Financial transactions exceeding \$100,000 were conducted during the 12 month period of 2010.

Between the dates of 3/17/10 and 7/1/11, \$511,538.07 was transferred from two HOA accounts to Meadows' Development company account. A significant portion of those funds were transferred using the aforementioned scheme to defraud. Financial records revealed that during this time period, David Meadows' wife (**Linda Meadows**) transferred \$75,690.47 to an undocumented account (Sunbelt Building Supply PNC Acct # [REDACTED]). Signature cards revealed David and Linda Meadows as well as Robert Treanor and Paula Wipf). Those monies were then used to make mortgage payments to Bank United totaling \$62,341.72. Bank United identified the personal mortgage for David and Linda Meadows were credited with those payments.

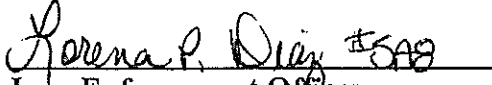
2010 Tax returns for David and Linda Meadows failed to identify Sunbelt Building Supply as one of the Meadows taxable businesses. David Meadows knew or should have known that monies he diverted to his Development account through an ongoing scheme to defraud were transferred to an undocumented account which he controlled. Meadows did so with the intent to conceal or disguise the location, the ownership, and control of the proceeds that were derived from a specified unlawful activity.

Between the dates of June 2011 to August 2012, payments in excess of \$55,582 were made to American Express and credited to an account belonging to Linda Meadows/ Assured Record Storage. State of Florida Records failed to identify a business "Assured Record Storage" associated with Linda Meadows. An American Express account was also identified in the name of David Meadows/Assured Document which received payments in excess of \$2,748 from Meadows' Development account. Checks personally issued to Linda Meadows from the Development account exceed \$33,631.

<b>Victim/Witness</b>	<b>Address</b>	<b>Phone</b>
1. ICR HOA	319 Australian Way	Davenport, FL 863-424-0130
2. Sanda Andrews	373 Melbourn Dr.	Haines City, FL 863-585-9610
3. Deanna Meixner	605 Robin E. Ln	Apopka, FL 32712 321-960-8290
4. Pauline Wipf	8303 Our Rd	Clermont, FL 34714 352-536-1777
5. Kristine Whitfield	134 Bridgeton St	Davenport, FL 33896 407-232-5817
6. Robert Treanor	7101 Oregon Chickadee Weeki Wachee, FL	407-902-4280
7. Regina Nax	2205 Pink Grapefruit T	Clermont, FL 34714 407-485-1002
8. Tracy Duvall	238 Harbor Ct	Winter Garden, FL 407-905-9525
9. Kevin Zamudio	81 Teller Ave.	Beacon, NY 12508 845-797-4658

10. Calos Rincon	18300 SW 88 <sup>th</sup> PL	Palmetto Bay, FL 33157	305-251-8836
11. Carmen Rincon	18300 SW 88 <sup>th</sup> PL	Palmetto Bay, FL	305-498-6451
12. Azucena Rojas	733 First St Apt 1	Secaucus, NJ 07094	201-969-6006
13. Zuleika Romo	2021 Fish Eagle St	Clermont, FL 34714	352-396-9808
14. Victor Romo	2021 Fish Eagle St	Clermont, FL 34714	352-225-7172
15. Norma Alvarez	7015 Polk St. Apt 2	Guttenberg, NY 12508	908-448-4260
16. Cesar Zavala	7015 Polk St Apt 2	Guttenberg, NY 12508	908-448-4260
17. Floridalma Vallinatos	13112 Comodore Ln	Clarksburg, MD 20871	301-515-8895
18. Gerasimos Vallianatos	13112 Comodore Ln	Clarksburg, MD 20871	301-515-8895
19. Justin Friedle	10885 Ravel Ct	Boca Raton, FL 33498	954-579-5626
20. Sandra Friedle	10885 Ravel Ct	Boca Raton, FL 33498	954-579-5626
21. Janet B. Ubilla	16300 Coopers Haw Ave.	Clermont, FL 34714	
22. Melissa Noll	5 Raven Ct	Rexford, NY 12148	518-378-5745
23. Kathleen Loftus	12 Juniper Ave.	Mineola, NY 11501	347-886-1845
24. Christopher O'Connell	12 Juniper Ave.	Mineola, NY 11501	347-886-1845
25. Rodney Williams	813 Pine St.	Ocoee, FL 34761	407-905-8157
26. Doris Williams	813 Pine St.	Ocoee, FL 34761	407-905-8157
27. Gloria Camargo	1110 Washington Palm Lp	Davenport, FL 33897	321-682-6394
28. Tuan Giang	3016 NW 128 <sup>th</sup> St	Vancouver, WA 98685	503-804-9729
29. Nathan Henry	3016 NW 128th St	Vancouver, WA 98685	503-804-9729
30. Susan Cole	603 Coconut Palm Way	Bedford 9230 LLC	+61 414 907 263
31. Tracy Spencer	87-700 Manuaihue St	Waianae, HI 96792	808-284-3943
32. Jose Fernandez	2622 Liz Ln.	Kissimmee, FL 34744	407-744-7715
33. James Russell	245 E. Gaines St.	Lawrenceburg, TN 38464	931-244-6449
34. Evelyn Russell	245 E. Gaines St.	Lawrenceburg, TN 38464	931-244-6449
35. Jianliang Wang	2728 Laurelstone Ln.	Bowling Green, KY 42104	270-779-2263
36. Bryan Pureza	2642 Ochatillia Rd.	Holiday, FL 34691	727-348-9214
37. Bubli Dandiya	312 Caddeekey Island Rd.	Jupiter, FL 33477	561-714-3262
38. Nancy Foryan	5222 Cape Hatteras Dr.	Clermont, FL 34714	407-414-4115
39. Joe Foryan	5222 Cape Hatteras Dr.	Clermont, FL 34714	407-414-4115
40. Herbert Hiley	470 Chemin Du Precha	Guethary, France	
41. Sabah Al-Obaidi	1205 Swanson Trlr #11	Tularosa, NM 88352-2444	505-7958211
42. Melissa Cevallos	PO Box 137932	Clermont, FL 34713	863-513-7798
43. Enelio Farina	16948 Sunrise Vista Dr	Clermont, FL 34714	305-316-6378
44. Jim Santy	516 Crowned Eagle Ct.	Valrico, FL 33594	813-315-8660
45. Melinda Wiman	1997 Vista Del Valle Blvd	El Cajon, CA 92019	619-694-0849

**Investigating Agcy/Officer:** Office of the State Attorney, Investigator Stephen R. Menge

Sworn to and Subscribed before me,  
 The undersigned authority, this  
11 day of March, 2013  
  
 Lorena P. Diaz #508  
 Law Enforcement Officer

  
 AFFIANT