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Hammocks wins \$2M settlement in suit claiming ex-HOA leaders allowed massive fraud

The Hammocks won a \$2 million settlement in a case accusing former board members of turning a blind eye to an alleged massive fraud that plundered millions of dollars from association coffers.

The Hammocks, South Florida's biggest homeowners association with over 18,000 residents in south Miami-Dade County, has been working to claw back association funds after police arrested four former board members last year for their role in allegedly looting the community's accounts.

The Miami-Dade State Attorney's office claimed a roughly \$2 million scheme, though a subsequent investigation by Hammocks receiver David Gersten revealed the alleged fraud topped \$3 million.

In April, Gersten, who has overseen the Hammocks since the arrests, sued four additional board members: Ligia Capielo, Merlene Kopec, Madeline Maceda and Luz Ordonez. While they were not criminally charged, they failed to curb their arrested colleagues, including letting them funnel funds "without insisting on even minimal documentation to support the illicit payments," according to filings in the civil suit.

Capielo, Kopec, Maceda and Ordonez denied the allegations in court responses and pushed against claims that they knew or should have known about the fraud, partly arguing that they relied on the advice of board attorneys.

The four tried to get the suit dismissed, but a judge shot down their motion in July.

After that, both sides started negotiations that ended with attorneys for the defendants agreeing to settle the case by tendering the full \$2 million insurance policy covering association directors and officers, according to court records. D & O policies, or directors and officers insurance policies, cover HOA leaders from liability, including in suits filed by residents.

Miami-Dade Circuit Court Judge Beatrice Butchko approved the settlement this month.

It marked the latest chapter in the Hammocks saga that dates back to at least 2017 when residents started complaining about association mismanagement and opaque financials. The Hammocks is between Southwest 120th and 88th streets and between Southwest 147th and 162nd avenues in unincorporated Miami-Dade County.

In November, authorities arrested former board president Marglli Gallego, depicted by prosecutors as the ringleader of the fraud, and her husband, Jose Gonzalez. Also arrested were former board members Myriam Rodgers, Yoleidis Lopez Garcia and Monica Isabel Ghilardi.

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Their alleged fraud was tied to kickbacks by hiring bogus vendors for supposed maintenance of the 3,800-acre Hammocks, according to an affidavit from an investigator in the state attorney's office. The association's payments for the work were diverted, much of it to Gallego and Gonzalez.

All five have pleaded not guilty.

In the civil suit, Gersten claimed that Capielo, Kopec, Maceda and Ordonez did nothing about the board hiring "insiders," or family members of the arrested board members.

The case takes aim at Maceda, who served on the board from 2017 to last year, because she oversaw association financials as the board's treasurer, including hiring and paying vendors. But Maceda's attorneys claimed in filings that the suit fails to specifically allege that she knew or should have known about the scheme. Moreover, Maceda is a "lay person," making Gersten's allegation that she should have known about an association's attorney's conflict of interest in an unrelated case a "perplexing" claim, her attorneys argued.

Gersten also claimed that the board members allowed the early closing of the polls during a board election in January of last year. But that election was held before Capielo, Kopec and Ordonez were even on the board, attorneys for the defendants argued.

Neither Gersten nor attorneys for the four former board members returned requests for comment.

The Hammocks is perhaps the biggest HOA litigation over alleged board fraud in recent years.

Aside from the criminal case, in July Gersten also sued law firms that represented the board, including an attorney who filed defamation lawsuits against law enforcement officers who were investigating allegations of fraud at the Hammocks. Another law firm allegedly ignored conflicts of interest by representing both the association and Gallego in criminal charges filed against her in 2021, according to the complaint.

Many other South Florida residents who live in communities governed by condo or homeowners associations have accused their board members of various types of fraud, including meddling in elections and self-enrichment.

This month, police arrested a former president of the Blue condominium at 601 Northeast 36th Street in Miami's Edgewater neighborhood. Ben Dvir, 47, allegedly directed a vendor to the condominium to inflate invoices, with Dvir pocketing the markup, according to an arrest affidavit.