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CLERK US DISTRICT COURT DISTRICT OF NEVADA	
BY: _____	DEPUTY

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**UNITED STATES DISTRICT COURT  
 DISTRICT OF NEVADA**

-oOo-

13 UNITED STATES OF AMERICA,  
 14  
 Plaintiff,  
 15  
 v.  
 16 DENISE KESER,  
 17  
 Defendant.

) CASE NO.: 2:11-cr-00382-GMN -GWF  
 )  
 ) DATE FILED:  
 )  
 ) VIOLATION:  
 )  
 ) 18 U.S.C. §1349 (conspiracy to commit mail  
 ) and wire fraud – 1 count)  
 )

**INFORMATION**

**INTRODUCTION**

**THE UNITED STATES CHARGES THAT:**

At all times material to this Information:

1. Pursuant to Nevada law, a homeowner’s association (HOA) is a corporation that governs a common interest community. A HOA is originally controlled by the developer until the housing units are sold, at which time the control is transferred to the bonafide homeowners. Only bonafide homeowners can be members in the HOA.

1                   2. A HOA is governed by a board of directors with a minimum of three members,  
2 all of whom must be bonafide homeowners. The board members are elected by the bonafide  
3 homeowners annually.

4                   3. Under Nevada law, HOA board members are fiduciaries. As fiduciaries, they  
5 are required—among other duties—to act on an informed basis, in good faith and in the honest belief  
6 that their actions are in the best interest of the association. Any person nominated for the board  
7 must make a good faith effort to disclose any financial, business, professional, or personal  
8 relationship or interest that would result or would appear to a reasonable person to result in a  
9 potential conflict of interest.

10                  4. Consistent with their fiduciary duties and pursuant to Nevada law, HOA board  
11 members may not solicit or accept any form of compensation, gratuity, or other remuneration that  
12 would improperly influence or reasonably appear to influence the board member's decisions or  
13 would result or reasonably appear to result in a conflict of interest.

14                  5. Consistent with their fiduciary duties, the board of directors is empowered to  
15 make decisions related to the common interests of the homeowners, including but not limited to:  
16 adopting and amending bylaws and budgets, hiring managers, employees, agents, attorneys,  
17 independent contractors, instituting or defending the community in litigation, and causing  
18 additional improvements or maintenance repairs to be made.

19                  6. Before hiring individuals and companies to work on behalf of the HOA, the  
20 HOA board usually obtains three bids for consideration. The three bids are usually presented  
21 during public board meetings with an opportunity for the homeowners to comment and discuss the  
22 issues at hand. The property manager is usually selected first, and then the property manager helps  
23 to identify and obtain bids for other services.

24                  7. Under Nevada law, property managers must earn a Community Association  
25 Management (CAM) license before being able to work in the state of Nevada. Property managers  
26 have fiduciary obligations to act in the best interest of the community, safeguard financial and

1 confidential information for the community, and disclose any affiliation or financial interest with  
2 any other person or business that furnishes goods or services to the community.

3 8. From in or around 1998 to in or around April 2006, Defendant KESER worked  
4 for property management companies in Las Vegas. She became a licensed CAM in or around  
5 2005.

6 9. Chateau Versailles, a common interest community with 371 units, was located  
7 in Las Vegas, Nevada. It had a HOA board consisting of three people.

8 10. Chateau Nouveau, a common interest community with 564 units, was located  
9 in Las Vegas, Nevada. It had a HOA board consisting of seven people.

10 11. Park Avenue, a common interest community with 642 units, was located in Las  
11 Vegas, Nevada. It had a HOA board consisting of five people.

12 12. Jasmine, a common interest community with 300 units, was located in North  
13 Las Vegas, Nevada. It had a HOA board consisting of three people.

14 13. Vistana, a common interest community with 732 units, was located in Las  
15 Vegas, Nevada. It had a HOA board consisting of five people.

16 14. Sunset Cliffs, a common interest community with 368 units, was located in Las  
17 Vegas, Nevada. It had a HOA board consisting of five people.

18 15. Palmilla, a common interest community with 300 units, was located in North  
19 Las Vegas, Nevada. It had a HOA board consisting of three people.

20 16. Pebble Creek, a common interest community with 196 units, was located in  
21 Las Vegas, Nevada. It had a HOA board consisting of three people.

22 17. Mission Ridge, a common interest community with 384 units, was located in  
23 Las Vegas, Nevada. It had a HOA board consisting of five people.

24 18. Mission Pointe, a common interest community with 248 units, was located in  
25 Las Vegas, Nevada. It had a HOA board consisting of three people.

26



1 in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, all in violation of  
2 Title 18, United States Code, Section 1343.

3 **OBJECTS OF THE CONSPIRACY**

4 23. The objects of the conspiracy, which Defendant KESER joined in or around  
5 July 2006, were for the co-conspirators to:

6 a. designate and facilitate the placement of straw purchasers in certain common  
7 interest communities identified above;

8 b. facilitate the purchase of units in certain common interest communities  
9 identified above by straw purchasers to act on behalf of the beneficial owners of the unit;

10 c. manipulate the elections of board candidates designated by the co-conspirators  
11 and thereby gain and maintain control of HOA boards and candidates designated by the co-  
12 conspirators;

13 d. manipulate the conduct of HOA business including, but not limited to, the  
14 appointment of designated property managers, the hiring of designated lawyers and law firms, and  
15 the hiring of designated contractors; and,

16 e. unlawfully enrich the co-conspirators at the expense of the HOA and bonafide  
17 homeowners.

18 **MANNER AND MEANS**

19 24. In order to achieve the objects of the conspiracy, Defendant DENISE KESER  
20 and others known and unknown to the United States used the following manner and means, among  
21 others:

22 a. Co-conspirators enlisted several individuals as straw purchasers to apply for and  
23 complete mortgage loans using their own name and credit for the purchase of properties within the  
24 HOA communities on behalf of the beneficial owners. These units were often identified by  
25 licensed realtors in the state of Nevada, acting on behalf of the co-conspirators. The straw  
26 nominees then purchased the properties while concealing the identity and financial interest of the

1 true beneficial owners of the properties from banks, mortgage companies, HOAs, and bonafide  
2 homeowners.

3 b. Once the straw purchases were complete, the beneficial owners and co-  
4 conspirators found tenants to rent the units. The beneficial owners received the rental payments  
5 and continued to pay the mortgages and various expenses associated with the straw purchase.

6 c. Co-conspirators were hired by Co-Conspirator B and others to manage and  
7 operate the payments associated with maintaining these straw properties. The co-conspirators  
8 called this business of funding these properties the "Bill Pay Program." The co-conspirators  
9 involved in running the Bill Pay Program maintained several limited liability companies, at the  
10 direction of Co-Conspirator B, for the purpose of opening bank accounts and concealing the Bill  
11 Pay Program funds. Many of the payments on these properties were wired or caused to be wired  
12 from California to Nevada.

13 d. On several occasions, instead of making a straw purchase, the co-conspirators  
14 transferred a partial interest in a unit to another co-conspirator for the purpose of making it appear  
15 as if the co-conspirator was a bonafide homeowner.

16 e. The straw purchasers and those who acquired a transferred interest in a unit  
17 agreed with co-conspirators to run for election to the respective HOA boards. These co-  
18 conspirators were paid or promised cash, checks, or things of value for their participation, all of  
19 which resulted in a personal financial benefit to the co-conspirators, including Co-Conspirators A,  
20 B, C, and D.

21 f. To ensure these co-conspirators would win the elections, co-conspirators  
22 employed deceitful tactics, such as creating false phone surveys to gather information about  
23 homeowners' voting intentions, using mailing lists to vote on behalf of out-of-town homeowners  
24 unlikely to participate in the elections, and submitting fake and forged ballots. Co-conspirators also  
25 hired private investigators to find "dirt" on the bonafide candidates in order to create smear  
26 campaigns. Defendant KESER participated in rigging an HOA board election at Vistana by helping

1 to stuff ballot envelopes and buying stamps. She also used her position as property manager to  
2 send emails to the homeowners that were meant to smear the reputation of bonafide board  
3 members.

4 g. Another tactic the co-conspirators used to rig certain HOA board elections was  
5 to prepare forged ballots for out-of-town homeowners and either cause them to be transported or  
6 mailed to California and thereafter to have the ballots mailed back to Las Vegas from various  
7 locations around California so as to make it appear that the ballots were completed and mailed by  
8 bonafide homeowners residing outside Nevada.

9 h. On several occasions, co-conspirators attempted to create the appearance that  
10 the elections were legitimate by hiring "independent" attorneys to run the HOA board elections.  
11 The homeowners were led to believe that these "special election masters" would collect and secure  
12 the ballots and preside over the HOA board election, including supervising the counting of ballots,  
13 to ensure no tampering occurred. However, the special election masters were paid or promised  
14 cash, checks, or things of value for their assistance in rigging the elections. They allowed the co-  
15 conspirators to access the ballots for the purpose of opening the ballots and pre-counting the votes  
16 entered for each candidate to then know the number of fake ballots which needed to be created to  
17 ensure the co-conspirator up for election won the seat on the HOA board.

18 i. Once elected, the co-conspirator board members would meet with the co-  
19 conspirators in order to manipulate board votes, including the selection of property managers,  
20 contractors, general counsel, and attorneys to represent the HOA.

21 j. Often the co-conspirators created and submitted fake bids for "competitors"  
22 to make the process appear to be legitimate while ensuring co-conspirators were awarded the  
23 contract. In addition, Co-Conspirator A's initial contract for emergency remediation repairs  
24 contained a "right of first refusal" clause to ensure Co-Conspirator A was awarded the construction  
25 repair contracts following the construction defect litigation.

26 k. Once hired, the co-conspirator property managers and general counsel were paid

1 or promised cash, checks, or things of value for using their positions to gain inside information and  
2 recommend that the HOA board hire Co-Conspirators A and B for remediation and construction  
3 defect repairs and Co-Conspirators C and D for the construction defect litigation. Defendant  
4 KESER used her position as property manager to provide the co-conspirators with names of other  
5 HOA clients that were intending to pursue construction defect litigation.

6 l. In or around September 2006, Defendant KESER agreed with Co-Conspirator B  
7 and others to open a new property management company, which would be owned and controlled by  
8 Co-Conspirator B, for the purpose of continuing to manage the HOA board at Vistana and to  
9 manage the HOA boards at Chateau Versailles and Chateau Nouveau. Defendant KESER ran most  
10 of the company's expenses on a personal credit card, which were reimbursed to her by Co-  
11 Conspirator B. She also paid several of Co-Conspirator A's employees as if they were employed by  
12 the property management company in order to conceal the employees' relationship with Co-  
13 Conspirator B. Defendant KESER further used her position as the property manager at Vistana and  
14 Chateau Nouveau to recommend that the HOA hire individuals and companies designated by her  
15 co-conspirators while concealing her and the company's relationship with the co-conspirators from  
16 the bonafide homeowners.

17 m. This process created the appearance of legitimacy since bonafide homeowners  
18 believed the elected board members and property managers were, as fiduciaries, acting in their best  
19 interest rather than to advance the financial interests of co-conspirators. In fact, Defendant KESER  
20 and others were paid or received things of value by or on behalf of their co-conspirators, including  
21 Co-Conspirators A, B, C, and D, for their assistance in purchasing the properties, obtaining HOA  
22 membership status, rigging elections, using their positions to manipulate the HOA's business and to  
23 further the goals of the conspiracy, and to enrich the co-conspirators at the expense of the HOA and  
24 the bonafide homeowners.

25 All in violation of Title 18, United States Code, Section 1349.  
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1 **NOTICE OF FORFEITURE**

2 1. As a result of the violations of Title 18, United States Code, Sections 1341 and  
3 1343, set forth in this information, Defendant

4 **DENISE KESER,**

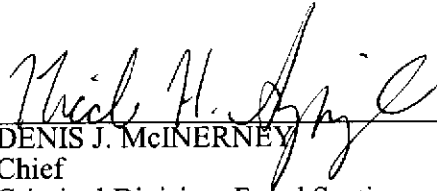
5 shall forfeit to the United States of America any property, real or personal, that constitutes or is  
6 derived from proceeds traceable to the commission of such offenses, as charged in this information,  
7 including, but not limited to, the value of any salary, payment, and thing of value she received in  
8 connection with the conspiracy to commit mail and wire fraud.

9 2. If any of the property subject to forfeiture, as a result of any act or omission of the  
10 defendant:

- 11 (a) cannot be located upon the exercise of due diligence;
- 12 (b) has been transferred or sold to, or deposited with, a third party;
- 13 (c) has been placed beyond the jurisdiction of the Court;
- 14 (d) has been substantially diminished in value; or
- 15 (e) has been commingled with other property which cannot be divided  
16 without difficulty;

17 it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b),  
18 incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property  
19 of the defendant up to the value of the property subject to forfeiture.

20 All pursuant to Title 18, United States Code, Section 982(a)(2).

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24 DENIS J. McINERNEY  
25 Chief  
26 Criminal Division, Fraud Section

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