

Section XI: Expanded Evidence Detail – HOA/HPR Financial Misconduct

🔍 Overview of Allegation

The Homeowners Association (HOA) and Horizontal Property Regime (HPR) at Gran Pacifica are alleged to be financially compromised, with funds collected from residents being siphoned into private Trusts controlled by ECI insiders. This misconduct undermines community services, violates fiduciary duties, and may constitute embezzlement and tax fraud.

📌 Key Evidence

1. Lack of Financial Transparency

- Residents report no access to detailed financial records.
- HOA fees are collected regularly, but no visible reinvestment in infrastructure or services.
- Requests for audits or breakdowns are allegedly ignored or deflected.

2. Trust-Based Diversion

- Funds are believed to be funneled into the same Trust that holds property assets.
- Because Trusts are not publicly searchable, there is no oversight of how HOA/HPR money is used.
- This structure allows for private enrichment while maintaining a façade of legality.

3. No Government Reporting

- Allegedly, no taxes are paid to the Nicaraguan government from HOA/HPR operations.
- Income from events (e.g., weddings, surf contests, restaurant sales) is not declared.
- This violates both local tax laws and international financial reporting standards.

4. Pattern of Neglect

- Despite regular fee collection, the community suffers from:
 - Poor road maintenance
 - Failing water and sewage systems
 - Unreliable internet
 - Unresolved safety hazards (e.g., bridge flooding)

This suggests that funds are not being used for their intended purpose, reinforcing the allegation of

financial misconduct.

Legal Implications

- Embezzlement: Misappropriation of HOA/HPR funds.
- Tax Evasion: Failure to report income and pay taxes.
- Breach of Fiduciary Duty: HOA board failing to act in the best interest of residents.
- Fraud: Collecting fees under false pretenses.
- Money Laundering: Using Trusts to conceal financial flows.

Strategic Impact

This financial misconduct:

- Erodes trust between residents and management
- Destabilizes the community, making it easier to absorb assets
- Defrauds the government, undermining national sovereignty
- Creates legal exposure for unsuspecting homeowners who may be complicit by association

It's not just about missing receipts—it's about a systemic siphoning of wealth under the guise of community management.

Recommended Actions

- Homeowners: Demand full financial disclosure and independent audits.
- Legal Authorities: Investigate HOA/HPR operations for fraud and tax evasion.
- Regulators: Review the legality of fee collection and fund allocation.
- Media & Advocates: Highlight the disconnect between fees paid and services delivered.