

# Sponsor Self-Dealing

Monday, December 30, 2019

Leni Cummins discusses the issues and irregularities that are all too often uncovered when a condominium board takes over from sponsors and steps boards can take to protect themselves in *Habitat Magazine*. Leni shares a story of a luxury Manhattan condo board confronted with budget issues after taking ownership of 250 residential units while the sponsor maintained ownership of four commercial units. Shortly after taking over, the board learned that due to a budgetary deficit, they would be required to significantly increase the common charges. After Leni investigated the issue, she discovered fraud.

“It turned out the sponsor-controlled board had skewed various expenses to the residential unit owners and away from the commercial ones, bringing the commercial common charges down substantially.”

According to Leni, boards can learn an important lesson from this story—“as important as it is to have an engineer and architect do a forensic study of the physical building, it's just as important to take a hard look at the books.”

[Click here to watch the video and read the article.](#)

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