



The Money *Vanishes*

And Queens co-ops and condos are suing one another to get it back

BY PAULA CHIN

Maryann Carro-Caputo,
CEO of now-defunct
Tribor Management

Photographed in 2011
by Carol J. Ott



When Lori Ojeda joined the board at the Gothic cooperative 11 years ago, she didn't think too highly of the managing agent, Maryann Carro-Caputo, the CEO of Tribor Management in Queens. The firm seemed incompetent at best, and, says Ojeda, "wouldn't deal with issues unless you had a foot on their neck." Once she became treasurer, Ojeda discovered that Gothic, a 125-unit building in Jamaica Hills, was in arrears for its oil, water, and electricity bills.

After those were paid, Ojeda took an even closer look at the co-op's financial records – and soon noticed that something seemed to be seriously amiss. "Funds were being moved from our money-market account, where we had our reserves, to Tribor, and I couldn't see why that was necessary," she says. "It didn't seem right."

That was the beginning of a nightmare that every board fears: possible management malfeasance. Gothic's ordeal began in 2011, when Ojeda first told Gothic's board about the unpaid utility bills and suggested that they find a new managing agent. The directors resisted, saying such a search was "overwhelming" and one that Ojeda, being new to her position, didn't fully grasp.



GOTHIC TALE:
where money
went missing

DANIELLE FINKELSTEIN

an associate at Smith Buss Jacobs, about the issues with Tribor because she feared the already-volatile situation would explode if she added a lawyer into the mix. “But I realized I couldn’t handle this on my own anymore, and I finally opened up to Emma [Lupu],” Ojeda says. “She had to chase everything down to get us to our [mortgage] closing. But it took so long we ended up losing out on our rate, which went from 3.25 percent to 3.8, costing us even more money.”

Unpaid Payments

It didn’t seem possible, but things got worse when Ojeda found a judgment had been issued against Gothic for failing to make payments to 32BJ, the service employees union. “We couldn’t make heads or tails of it, because the co-op’s audited financials did not show that the money was due and owing, and the co-op’s CPA confirmed that information,” says Lupu. In 2013, the co-op brought in Mindy Eisenberg Stark, an accountant and certified fraud examiner, who determined that the \$150,000 listed in the general ledgers as a payment to 32BJ had, in fact, been transferred out of Gothic’s account but *not* to 32BJ.

“Money was being moved between different buildings managed by Tribor, as well as to Tribor itself, through electronic transfers,” says Stark. Carro-Caputo had online access to all the accounts, she adds, “and when one building needed money, she just took it from another.”

Lupu also had Gothic’s accountant conduct a review of the records of other co-ops managed by Tribor which he audited, which showed that funds were being moved between Tribor properties, including at least three that Lupu represented. “Some of those had been served with default notices from their underlying mortgage holder for failing to pay their real estate taxes and/or water bills,” Lupu says. “That’s when I realized this was a much bigger fish than just Gothic.”

Lupu immediately contacted the boards and convened emergency meetings. With her help, each building began painstakingly poring over reports, trying to follow the money. But the trail was impossibly tangled.

“I think the underlying mentality was that changing management would be a large undertaking and a difficult challenge,” she says. Whatever the reason, the board didn’t take the delinquent payments as a warning sign; no one, including Gothic’s accountant, was reviewing the monthly statements. Even so, the murky transactions weren’t showing up in the books.

“Typographical” Errors

Carro-Caputo had some unusual practices. “She would send out statements with missing pages as close as possible to our monthly board meetings so it would be harder for us to spot problems,” claims Ojeda. “And when I did catch something, she

would say, ‘Oh, it’s a typographical error,’ and promise to fix it in the next statement. But she never did.” The so-called mistakes kept adding up until more than \$70,000 had vanished from Gothic’s coffers. “That’s when things came to a head,” Ojeda recalls. “I confronted and harassed Maryann until she finally transferred the money back. But I believe from that point on, she knew we were on to her.” (*Habitat* was unable to reach Carro-Caputo for comment.)

That wasn’t the end of Gothic’s problems. The board was in the middle of refinancing its mortgage but was having a hard time getting the bank to seal the deal. Digging through the co-op’s documents, Ojeda found default notices for unpaid taxes and utility bills. The money owed, including penalties, late fees, and interest charges, amounted to more than \$40,000. “Things were so bad that our accounts were being garnished,” she says. “Vendors didn’t want to deliver to us, and the city actually wanted to take our water meter.”

Ojeda had been reluctant to tell Gothic’s attorney, Emanuela Lupu,



Maryann Carro-Caputo

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“The only thing that was clear,” Lupu adds, “was that funds had been transferred all over the place, with absolutely no rhyme or reason.”

Lupu says it took weeks to get a response from Carro-Caputo, who promised to transfer the funds back to the appropriate buildings. She never did. Gothic, which had replaced Tribor with Metro Management, put in a claim on its crime policy. In the meantime, Lupu, Stark, and Ojeda went to the Queens County district attorney’s office in February 2014 and presented what they felt was compelling evidence of a scam. “We were able to highlight bank statements and show that money was leaving Gothic’s bank account without the permission of the board,” Stark says. “We also showed that none of those transactions appeared in the monthly management accounts, indicating that Tribor was attempting to hide them.”

The D.A. Fails to Act

At that point, there was no proof that there had been direct transfers to Carro-Caputo herself. “Still, at the very least, it appeared there was serious mismanagement and negligence on her part,” asserts Lupu.

The response was profoundly disappointing. “The office said it would have to subpoena evidence themselves, which would take six months, but the time came and went and nothing happened – and now it’s been four years,” Lupu says. “Based on what they said to me, my impression is that they didn’t consider it worth pursuing unless it involved more than \$1 million. But if you add up all the buildings, the amount of missing money must be well over that.” (The Queens D.A.’s office told *Habitat* it cannot comment on any ongoing investigation into possible financial misdeeds by Carro-Caputo and Tribor.)

According to Lupu, several other co-ops have filed complaints with the D.A. and have sued Carro-Caputo and Tribor (she is the sole shareholder), as well as each other. “To my knowledge, none of them has recovered anything,” Lupu says. “No one knows where the money is.”

In the end, insurance ended up covering Gothic’s losses, and the

TRIBOR TRANSFER AFTERMATH:

Buildings Suing Buildings

Tribor Management’s activities allegedly included the transfer of money from one building to the next to cover budget shortfalls, according to those familiar with the cases. Buildings have filed insurance claims, and are suing one another for return of the funds.



co-op emerged relatively unscathed. “The lesson here is that boards have an obligation to do due diligence and thoroughly review management reports and bank statements,” says Lupu. “You can’t just go by what’s on the books – you have to get confirmation letters from banks on the balance of your accounts.”

Boards that can’t find the time, she adds, need to rely on pros who can do the job. “There is one other building I represent that was untouched by this mess, and their CPA charges real dollars,” she says. “The co-ops that were affected were underpaying

for their audits – about \$3,000 instead of the typical \$5,000, which is probably no coincidence. You get what you pay for.”

As for Ojeda, who has since left Gothic, uncovering the alleged scheme hasn’t brought her much satisfaction. Carro-Caputo is believed to have left the country, relocating with her partner to Malta, and Ojeda feels justice may never be served. “It doesn’t matter that Gothic got its money back,” Ojeda says. “What Maryann did was wrong, and it looks like she’s going to get away with it.” ■