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Law grad duo fights financial fraud on 'American Greed'

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Double Gators and UF Law alumni Mark S. Meland (JD 88) and Michael Budwick (JD 91) are tackling big-time financial fraud one case at a time. Meland and Budwick, founding members of the law firm Meland Budwick, P. A., were featured in a Feb. 26 episode of "American Greed," leading the way in exposing the truth about Claudio Osorio's InnoVida Holdings, LLC. InnoVida marketed building materials for low-cost housing, but instead defrauded investors of millions. Budwick is also currently litigating a multi-billion dollar lawsuit related to the Tom Petters Ponzi Scheme.

The pair's involvement in the Osorio case began in 2011 when Meland was appointed as Receiver of InnoVida Holdings after Chris Korge obtained a judgment against Innovida, Claudio Osorio, Amarilis Osorio and Craig Toll and the defendants failed to comply with discovery obligations in violation of numerous court orders. His initial goal was to keep InnoVida going and pay creditors while using his transactional and real estate skills to determine if it was a viable company or not, he said.

> "We came into the situation when the house was on fire," Meland said.

Though they had a suspicion of fraud, Meland initially sought to simply learn about the company. He sat and talked with Osorio for a day and a half, asking him questions but getting only evasive answers. When the time came for his deposition shortly thereafter, Osorio pleaded the Fifth.

In a subsequent deposition, Osorio came in 15 minutes late with a welt on his forehead, and said he was sideswiped by a car, Budwick said.

But after questioning him about the event and the car involved, they determined the incident was likely a ploy to forestall the deposition, Budwick said in “American Greed.”

> “Claudio was a master of deception. He had the ability to convincingly deliver even the boldest lie,” Budwick said. “He continued to conceal information and forge records even after his company was placed into bankruptcy.”

Meland described Osorio as “a very charismatic person” and the best liar he and Budwick had ever met.

When Osorio eventually pleaded the Fifth to protect himself from self-incrimination, Budwick, who specializes in financial fraud cases, launched into “fraud mode,” he said.

Osorio claimed he had a viable company and the investigation was disrupting valuable business. He attempted to attribute any perceptions of illegality to people simply misunderstanding, saying, “I’m an entrepreneur. You just don’t understand entrepreneurs,” according to Budwick.

Osorio feigned cooperation, denying any wrongdoing, but ultimately placed roadblocks to Budwick’s and Meland’s attempts to gain full access to financial and other records. Osorio made it particularly difficult to get bank records from the offshore bank accounts, Budwick said.

But despite the opposition, Budwick and his team at Meland Budwick, P. A., eventually separated the facts from Osorio’s fiction and untangled the web of companies and people involved, which included alleged operations in the United States, United Arab Emirates, Angola, Haiti, Brazil, and China.

Victims and former board members included NBA players, politicians and many high profile individuals.

After Osorio was indicted and pleaded guilty, Budwick’s and Meland’s focus shifted to liquidating the company, auctioning off much of Osorio’s property and collecting

money. The case will likely be closed out this year, they said.

Budwick is now litigating another high profile financial fraud case.

He filed a $24 billion lawsuit against BMO Harris Bank for being complicit in the Tom Petters Ponzi scheme, the third largest in U.S. history.

During the fraud, a total of $37 billion was laundered through a single bank account at M&I Bank, which is now owned by BMO Harris. Though the bank's software triggered an investigation of the account, the bank let the account remain open, Budwick said.

He and his team are now actively litigating the case, after interviewing witnesses, taking sworn examinations and searching through hundreds of thousands of documents with the help of banking experts, he said.

"One of the biggest challenges we faced was learning and piecing together all the information multiple bank employees acquired over the years to establish that the bank indeed had knowledge of the fraud," Budwick said.

The intricacy of financial fraud cases such as the BMO Harris case and the Claudio Osorio case require complex and creative analyses, something Budwick and Meland said they learned at UF Law.

Professor Walter Probert's torts class taught Budwick how to dissect cases with complex fact patterns using different thought methodologies and analytical frameworks. He also learned to not restrict himself to using existing law when identifying and developing causes of action but to look at emerging trends in law, he said.

Similarly, Meland learned how to think differently and more abstractly through a class he took with the late Professor Walter Weyrauch. Though Meland didn't initially fully appreciate the connection of the practical lessons with black letter law, he later realized the concepts Professor Weyrauch espoused were very practical and incredibly useful in the real world, he said.

Working on financial fraud cases is both challenging and rewarding, Budwick said.

“I enjoy working to recover monies for victims who frequently have lost a lifetime of earnings,” he said.

To watch the “American Greed” episode, click here.