

# GOLF FOR FUN AND PROFIT(EERING)

Before reading too far along into this post, take note: this is NOT a post by Marcy or bmaz and it's speculative.

It's also the closest thing I may come to Trash Talk on a sunny Saturday afternoon here in the great white north where outdoor temperatures hover in the single digits. Going outside one risks frostbite and snowblindness.

In other words it's a perfect day to indulge in flights of fancy, imagining a stroll over the velvety greens and fairways of a lush, high-end golf course, pondering the moola one might rake in from an imaginary money laundering operation at the same time.

I spent some time with a friend who works in the golf industry talking about all the ways one might profiteer from running a golf resort. Neither of us are criminals so our ideas might not make the most sense to seasoned professional crooks. But after looking at the myriad ways in which one could make an unreported (read: illicit) profit and clear money out the door, I don't know why I don't buy a golf course because *DAMN*. There's a lotta' gold in them thar sand traps.

We asked ourselves this simple question: if one owned a luxury private golf course club or resort, how could they launder money or make unreported income?

Membership fees

- Charge member fees only certain people can afford to pay, the kind of people who expect to pay a lot for golf, who can afford it, and who may desire a certain

amount of privacy and service incumbent with such fees.

- Social membership fees for non-golfers who want to participate in club events, high enough to keep out all but the class of people who fit with the golf and corporate members.
- Corporate member fees assessed to businesses who want to treat their management class employees. Assess them at a slightly higher level because the business benefits from access to members.
- Overseas member fees, again at a higher level for a different class of service (ex. foreign language staff).
- Phantom fees assessed to false identities.

That last one is pure gravy. Who's going to check on whether these memberships are attached to real people or fronts?

Member minimum purchases

Membership-based clubs charge a monthly minimum purchase fee in order to support operations like their cafe and restaurants when course business is slow. If a member doesn't buy minimum of \$200 worth of meals or drinks in a month, for example, they will be charged that amount. It encourages buying more than the minimum for value-sensitive members.

But it's also a means to keep out certain people

while offering an opportunity to make easy money. Think about that phantom member – let's say they paid \$50,000 to join the club. They also have to pay \$200 per month in minimums. Different and higher level of membership? Different, higher level of minimum monthly purchases fees.

#### Premium services

Come on, think about it. Certain classes of members can ask for almost anything, especially if they wave some cash around. Who's going to monitor whether any of these services are legal or otherwise?

#### Club or Course Events

First you must be a member. Then you have to pick from a menu of services you want provided for your Acme Corporation Annual Golf Outing. Of course you can only choose from the club's or course's list of pre-approved vendors, from hospitality tents to extra waitstaff. There are set-up and breakdown fees.

And it's all made so very easy for a member to pay with one check, wire transfer, or cryptocurrency transaction.

Again, who's going to check this for legitimacy? To a bank it looks like a pretty typical event charge, no need to submit a Suspicious Activity Report (even easier if you do business with 'friendly' banks).

Oh, it's a pity, too, when your event fees are non-refundable in case of rain.

#### Operating Expenses

Every product or service a course needs from sprinkler maintenance to grass fertilizer, golf cart repair to staffing, janitorial services to kitchen equipment, can be purchased from a (shell) company which manages all the contracts – so to speak – and then invoices the course.

Naturally the convenience of working with a single third-party might cost anywhere from 10 to 100% more but who's counting?

## Golf Course Adjacent Real Estate

A luxury course helps retain property value; who doesn't want to wake up every morning and look out onto a fabulously maintained expanse of greenery, assured of quiet, likely within a secure, gated community? Buyers will pay a premium for this, especially for just the right house, and they're the kind of people who pay in cash.

## Insurance

Sh-tuff happens all the time in a business where clients engage in sports and where alcohol is served. A business needs insurance. What a coincidence there are many ways to benefit from having 'good' insurance.

These are the obvious ways one might use to make a little something extra through golf course and club ownership. But a special kind of owner might also have a few more opportunities.

What if some of the members' personal information could be collected and sold? What if those same members could be induced, shall we say, to part with some cash to keep personal information private?

What if access to certain members and their businesses could yield a finder's fee, for lack of a better term? Or maybe a percentage off the top of every transaction once new business partners paired up and began transactions?

We never call it kickbacks or inflated invoicing, of course.

This is all we came up one snowy afternoon, daydreaming about golf.

But the one most important factor about owning a high-end golf course and club for profit? There's very little regulation.

Not like hotels – you can see the amount of regulation on room rentals on the back of most hotel room doors.

The course might have to adhere to state and federal regulations regarding chemicals applied

to the greenery but if a course owner has sufficient pull those regulatory inconveniences won't be a problem.

Same with undocumented staff or contractors.

Can't get too carried away with insurance matters but again, clout will help.

And the average rich dude has a minimum expectation from food and beverage service well above the minimum a state or local agency might expect.

But who's going to insist on looking at the books if the business pays some taxes based on its *reported* income and the income doesn't look out of line with other businesses in its class?

Even when the total number of golfers has plummeted by 20-25% over the last 10 years?

Now imagine what one could rake in if they could afford to buy multiple golf courses.

All I can say is FORE!

*Treat this as an open thread.*