



Rick Staly, Sheriff
FLAGLER COUNTY SHERIFF'S OFFICE
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NEWS RELEASE

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FCSO Arrests Pool Contractors Who Failed to Complete Work, Defrauded Customers

BUNNELL, Fla. — Following an extensive 15-month investigation into numerous reports of fraud by Ohanu Waters Inc., the Flagler County Sheriff's Office has arrested Michael Rusche and Diane Rusche, the owners of the business.

Between April 2024 and July 2025, FCSO General Assignment Unit detectives investigated 16 reports from victims who stated they hired Ohanu Waters to construct pools which the business left unfinished with no apparent intention to complete them. Multiple other victims reported the business failed to fully pay subcontractors, which resulted in liens being filed against their homes.

During the investigation, detectives found that, in many cases, victims had paid up to 90% of the construction costs, but were missing pool equipment, had unfinished tiling, or did not have final inspections. In other cases, construction had not advanced past the installation of the pool shell.

Following the lengthy investigation and multiple discussions with prosecutors from the Seventh Judicial Circuit State Attorney's Office, detectives obtained arrest warrants on July 15 for Michael Rusche, 67, of Palm Coast, for two counts of embezzlement – misappropriation of construction funds (\$20,000 to \$100,000) and Diane Rusche, 67, of Palm Coast, for two counts of embezzlement – misappropriation of construction funds (\$20,000 to \$100,000) and one count of grand theft. In addition, detectives obtained a second arrest warrant for Diane Rusche for grand theft on another case.

On the same day the warrants were issued, the FCSO Fugitive Unit, Problem Area Crime Enforcement

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Unit, and deputies located and apprehended Michael Rusche and Diane Rusche. Both were arrested on their active warrants and transported to the Sheriff Perry Hall Inmate Detention Facility, where they were later released on a \$20,000 bond and a \$30,000 bond, respectively.



Michael Rusche, left, and Diane Rusche, right (Sheriff Perry Hall Inmate Detention Facility mugshots)

“When you promise to do something for your customers, take their money, and then leave them hanging, that’s not only bad business but that’s fraud,” said Sheriff Rick Staly. “This was a very involved case. I commend our detectives for their hard work building the case against these two fraudsters. Remember to always check out contractors you plan to hire with the Florida Department of Business and Professional Regulation, the Better Business Bureau, and online reviews, and always have them sign a lien release for any payments you make to them certifying they have paid their subcontractors and suppliers. Failure to obtain a lien release could cause you to pay twice for the project.”

In addition to the FCSO investigation, the BBB investigated Ohanu Waters business practices in March 2024 due to multiple consumer complaints. The BBB issued Ohanu Waters an “F” rating due to a pattern of complaints and failure to respond to complaints.

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