



DISTRICT ATTORNEY – NEW YORK COUNTY

FOR IMMEDIATE RELEASE
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**D.A. VANCE, NYS INSPECTOR GENERAL, NYC DOI COMMISSIONER,
ANNOUNCE INDICTMENT OF NON-PROFIT HEAD FOR STEALING \$631K FROM
ADDICTS REHABILITATION CENTER FOUNDATION AND ADDICTS
REHABILITATION CENTER FUND**

Reginald Williams Charged With Years-Long Theft From Publicly-Funded Organizations

Manhattan District Attorney Cyrus R. Vance, Jr., New York State Inspector General Letizia Tagliaferro, and New York City Department of Investigation (“DOI”) Commissioner Margaret Garnett today announced the indictment of REGINALD WILLIAMS, 67, for stealing more than \$631,271 from the Addicts Rehabilitation Center Foundation, Inc. (“ARC Foundation”) and the Addicts Rehabilitation Center Fund Inc. (“ARC Fund”), while he served as the President and CEO of the ARC Fund, and the Chairman of the Board (and previously President and CEO) of the ARC Foundation. The ARC Foundation and the ARC Fund are taxpayer-funded not-for-profit entities that contract with City and State agencies to provide housing and social services to New Yorkers with substance and alcohol use disorders, HIV/AIDS, and others. NAOMI BARRERA, 42, who served as the President and CEO of the ARC Foundation, and BENNIE HADNOTT, 74, president of Tondah Consulting Group, which provided financial consulting services to the ARC Foundation, are also charged for their roles in WILLIAMS’s schemes. The defendants are charged in a New York State Supreme Court indictment with various counts of Grand Larceny in the Second and Third Degree, as well as Offering a False Instrument for Filing in the First Degree.^[1]

D.A. Vance said: “As alleged, these defendants shamelessly stole from publicly funded organizations dedicated to helping vulnerable New Yorkers. Even while their organizations struggled financially – failing to meet contractual obligations and even furloughing employees without pay – these defendants continued to drain the coffers for their personal gain. I would like to thank the New York State Inspector General’s Office and the New York City Department of Investigation for their valuable partnership, and urge anyone who knows of similar abuse of public funds to contact my Office at 212-335-8987.”

^[1] The charges contained in the indictment are merely allegations, and the defendants are presumed innocent unless and until proven guilty. All factual recitations are derived from documents filed in court and statements made on the record in court.

New York State Inspector General Tagliaferro said: “The defendants engaged in fraud to steal taxpayer dollars awarded to non-profits assisting vulnerable New Yorkers in need of housing, social services, and drug treatment. I thank District Attorney Vance and his office for their commitment to this case and the New York City Department of Investigation Commissioner Margaret Garnett and her office for their efforts and cooperation in the investigation.”

DOI Commissioner Garnett said: “These defendants should have safeguarded the finances of these taxpayer-funded nonprofits. Instead, they diverted public funds from their intended mission to provide housing and social services to individuals overcoming alcohol and substance abuse and those living with HIV/AIDS. They then used this stolen money for their personal benefit, including paying for personal travel and hotels, according to the charges. DOI thanks the Manhattan District Attorney’s Office and the State Inspector General for their partnership in this joint investigation.”

According to court documents and statements made on the record in court, since 2010, WILLIAMS – at times acting in concert with HADNOTT and BARRERA – has stolen \$65,432.76 from the ARC Fund, and \$565,839.56 from the ARC Foundation through multiple schemes.

During one scheme, the ARC Foundation paid HADNOTT’s Tondah Consulting Group \$40,000 each year for financial consulting services under WILLIAMS’s direction. In exchange, HADNOTT kicked back approximately 25% to WILLIAMS each year between 2010 and 2015, totaling more than \$54,000. All but one of these checks were made payable to Alternative Strategies, a shell entity controlled by WILLIAMS, which he used to conceal and spend stolen funds.

WILLIAMS, acting in concert with BARRERA, also stole from the ARC Foundation on two separate occasions after the Foundation received an influx of cash, including after receiving bridge loans and after the sale of Heritage House, one of its affordable housing properties. As a result of these schemes, WILLIAMS received \$135,000 and BARRERA received \$30,000. BARRERA also filed a false document with the New York City Human Resources Administration when applying for the bridge loans on behalf of the ARC Foundation.

Finally, WILLIAMS stole funds from the ARC Foundation and the ARC Fund by requesting reimbursements for personal matters that he falsely claimed were business expenses. WILLIAMS received more than \$100,000 for near-monthly travel expenses to the Bahamas, Jamaica, and the Dominican Republic for himself, family, and friends, including lodging, restaurant and bar tabs, and taxis. He was also paid more than \$170,000 for frequent restaurant and bar tabs in New York City. At times, WILLIAMS submitted the same expenses to the ARC Fund and the ARC Foundation in order to receive double the reimbursement, or falsely inflated expenses by altering the receipts he submitted for reimbursement.

Assistant D.A. Renée Jarusinsky, Deputy Chief of the Public Corruption Unit, is handling the case with Assistant D.A. Emily Bradford, under the supervision of Assistant D.A.s Luke Rettler, Chief of the Public Corruption Unit and Jodie Kane, Chief of the Rackets Bureau, as well as Executive Assistant D.A. Michael Sachs, Chief of the Investigation Division. The following people provided valuable assistance on the case: Assistant D.A. Gilda Mariani, Senior Investigative Counsel; Senior Rackets Investigators Christo Christonikos, Edward Johnson, and Leonid Rashkovsky, under the supervision of Supervising Rackets Investigator Alexander Farrugia and Chief Investigator Walter Alexander; Senior Financial Investigator Michelle Burgos, under the supervision of Irene Serrapica

and Robert Demarest of the Forensic Accounting and Financial Investigations Unit; paralegals Maki Watanabe, Michael Renner, and Kate Daly; and former paralegals Benjamin Drachman, Amanda Rutherford and Jaycee Parker.

District Attorney Vance also thanked the New York State Inspector General's Office, particularly Senior Investigative Counsel Kenneth Michaels, Director of Audit Giovanni Liotine, Investigative Auditor Teresa Mohabir, Investigative Auditor Ran Chen, Investigative Auditor Angelus Okeke, and Investigative Auditor Alla Korsunskiy, under the direction of Special Deputy Inspector General Philip Foglia; and the New York City Department of Investigation, particularly Assistant Inspector General Sara Leibowitz, Investigative Auditor Lidia Bautista, and Senior Investigative Auditor/Special Investigator Tiffany Coles, who worked under the supervision of Senior Inspector General Andrew Sein, First Deputy Inspector General/Chief Forensic Auditor Ivette Morales, and Deputy Inspector General Peter Relyea, for their partnership in the investigation.

Defendant Information:

REGINALD WILLIAMS, D.O.B. 7/11/1952
New York, NY

Charges:

- Grand Larceny in the Second Degree, a class C felony, 4 counts
- Grand Larceny in the Third Degree, a class D felony, 1 count

BENNIE HADNOTT, D.O.B. 11/23/1944
Teaneck, NJ

Charge:

- Grand Larceny in the Second Degree, a class C felony, 1 count

NAOMI BARRERA, D.O.B. 5/24/1977
Teaneck, NJ

Charges:

- Grand Larceny in the Second Degree, a class C felony, 2 counts
- Offering a False Instrument for Filing in the First Degree, a class E felony, 1 count

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