



The City of New York
Department of Investigation

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**DOI STATEMENT ON SENTENCING OF FORMER EXECUTIVE OF TWO PUBLICLY-FUNDED NONPROFITS
FOR STEALING HUNDREDS OF THOUSANDS OF DOLLARS FROM THOSE ORGANIZATIONS**

Jocelyn E. Strauber, Commissioner of the New York City Department of Investigation (“DOI”), issued the following statement on today’s sentencing of REGINALD WILLIAMS, 70, of New York, N.Y., for stealing hundreds of thousands of dollars while serving as President and CEO of the Addicts Rehabilitation Center Fund, Inc. (“ARC Fund”) and Chairman of the Board (and previously as the President and CEO) of the Addicts Rehabilitation Center Foundation, Inc. (“ARC Foundation”). ARC Fund and ARC Foundation are nonprofits that have received funding from City and State agencies to provide housing and social services to New Yorkers with HIV/AIDS, substance and alcohol use disorders, and others. In November 2022, WILLIAMS pled guilty to four counts of Grand Larceny in the Second Degree, a class C felony, and one count of Grand Larceny in the Third Degree, a class D felony. He was sentenced today in New York State Supreme Court by Judge April Newbauer to three years’ probation and ordered to pay restitution of \$450,000 to the ARC Foundation. DOI investigated this case with the Office of Manhattan District Attorney Alvin Bragg and the Office of New York State Inspector General Lucy Lang.

WILLIAMS’ co-defendants, both of Teaneck, N.J., NAOMI BARRERA, 45, the President and CEO of the ARC Foundation, and BENNIE HADNOTT, 78, president of Tondah Consulting Group, which provided financial consulting services to the ARC Foundation, pled guilty in late 2022 to Petit Larceny, a class A misdemeanor, and were sentenced to a conditional discharge. BARRERA was also ordered to pay \$30,000 in restitution to the ARC Foundation.

DOI Commissioner Jocelyn E. Strauber said, “Through kickbacks and deception, Williams worked with his co-defendants to funnel charitable dollars to himself, buying personal luxuries at the expense of New Yorkers in need of aid. DOI, the Manhattan District Attorney and the New York State Inspector General worked together to expose these crimes and to ensure that funds will be repaid to the nonprofits victimized by this illegal conduct. These criminal convictions underscore that stealing public dollars through a taxpayer-funded nonprofit has serious consequences.”

Manhattan District Attorney Alvin Bragg said, “Alongside DOI and the New York State Office of the Inspector General, we put a stop to this fraud targeting nonprofits that provide critical housing and social services to New Yorkers. Thanks to the strength of our partnership, those who attempted to illegally profit off contracts serving the City’s most vulnerable residents have been held accountable.”

New York State Inspector General Lucy Lang said, “This case speaks to the core work of the Offices of the Inspector General to protect the systems that serve the most vulnerable New Yorkers. Every dollar stolen here was a dollar not going to those in need of housing, social services, drug treatment and those living with HIV, which makes the work of all those involved in this investigation so critical. I commend District Attorney

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Bragg and his office for their commitment to this case and the New York City Department of Investigation Commissioner Strauber and her office for their tireless efforts and collaboration with this and all such investigations.”

In July 2019, WILLIAMS, BARRERA and HADNOTT were each indicted for their involvement in the theft of hundreds of thousands of dollars from ARC Foundation and ARC Fund through multiple schemes.

In one scheme, the ARC Foundation paid HADNOTT’s Tondah Consulting group \$40,000 annually for financial consulting services under WILLIAMS’s direction. In exchange, HADNOTT kicked back approximately 25 percent of that payment to WILLIAMS annually, from 2010 through 2015, over \$54,000 in total. In another scheme, WILLIAMS, acting in concert with BARRERA, stole from the ARC Foundation on two separate occasions; WILLIAMS received \$135,000 and BARRERA received \$30,000. Lastly, WILLIAMS stole funds from the ARC Foundation and the ARC Fund by requesting reimbursements for personal expenses 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, restaurants, bar tabs, and taxis. WILLIAMS also received over \$170,000 in reimbursements for frequent restaurant and bar tabs in New York City from the ARC Foundation and the ARC Fund. For more information on the indictment and original charges, [please click here](#).

DOI Commissioner Strauber thanked Manhattan District Attorney Bragg and his staff for the prosecution of this matter, which was handled by Assistant District Attorney Daniel Passeser and supervised by Julieta Lozano, Bureau Chief of the District Attorney’s Major Economic Crimes Bureau. DOI Commissioner Strauber also thanked New York State Inspector General Lucy Lang and her staff for their work on this investigation, which was handled by Senior Investigative Counsel Kenneth Michaels and Director of Audit Giovanni Liotine.

Assistant Inspector General Sara Leibowitz of DOI’s Office of the Inspector General for City-Funded Nonprofits investigated this matter, under the supervision of First Deputy Inspector General/Chief Forensic Auditor Ivette Morales, Senior Inspector General Andrew Sein, Deputy Commissioner/Chief of Investigations Dominick Zarrella and First Deputy Commissioner Daniel G. Cort.

DOI is one of the oldest law-enforcement agencies in the country and New York City’s corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI’s strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.

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