



The City of New York
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**DOI INVESTIGATION LEADS TO ARREST OF TWO INDIVIDUALS IN
BOGUS NOT-FOR-PROFIT SCHEME INVOLVING MORE THAN \$220,000 THEFT**

Margaret Garnett, Commissioner of the New York City Department of Investigation (“DOI”), announced the arrests today of two members of the Board of Directors of a purported City-funded not-for-profit known as Second Chance Resources Group Inc., on charges they stole more than \$220,000 in funding provided to the purported nonprofit by the City Department of Health and Mental Hygiene (“DOHMH”) and City Department of Youth and Community Development (“DYCD”). The joint investigation with the Richmond County District Attorney’s Office showed that Second Chance was a fake not-for-profit and did not actually provide any services; and that the stolen funds were used by the defendants for personal expenses. The investigation began after a tip to DOI that Second Chance was not present at an event that it claimed to have attended. The office of Richmond County District Attorney Michael E. McMahon is prosecuting the case.

DOI Commissioner Margaret Garnett said, “These individuals claimed to run a City-funded charity dedicated to providing services to disenfranchised New Yorkers, but in fact, the nonprofit was just an elaborate fraud scheme and the only people benefiting were the defendants who pocketed more than \$220,000, according to the charges. Not only did the defendants bilk City taxpayers through this charged scam; but they expanded their alleged criminal conduct by concocting a need for emergency rental assistance and submitting a false application to the City. DOI thanks the Richmond County District Attorney’s Office for its partnership in exposing and stopping these crimes.”

Richmond County District Attorney Michael E. McMahon said, “This defendant allegedly set up phony nonprofit organizations and claimed to organize community events when, in fact, no such events were ever held – all done in an attempt to enrich himself while swindling members of the general public under the guise of helping others. Unfortunately, today’s arrest isn’t the first time this defendant has been in trouble for committing fraud, having already served state prison time in an unrelated case for impersonating an attorney and other offenses. My office will continue to work closely with the Department of Investigation and our partners in law enforcement to protect our communities from fraudsters and ensure they are held accountable for breaking the public trust. As always, we encourage anyone suspicious of a potential scam to immediately report it to the proper authorities so swift action can be taken.”

RENAULD GREGG, a.k.a. R.A. GREGG, 39, of Staten Island, N.Y. and CHERYNNE CARO, 35, of Staten Island, N.Y. were both charged with Grand Larceny in the Second Degree, a class C felony; Grand Larceny in the Third Degree and Welfare Fraud in the Third Degree, class D felonies. In addition, GREGG is also being charged with Grand Larceny in the Fourth Degree, a class E felony and Criminal Tax Fraud in the Fifth Degree, a class A misdemeanor. Upon conviction, a class C felony is punishable by up to 15 years in prison, a class D felony is punishable by up to seven years in prison, a class E felony is punishable by up to four years in prison and a class A misdemeanor is punishable by up to a year’s incarceration.

According to the criminal complaint and DOI’s investigation, GREGG and CARO received salaries as members of the Board of Directors of a charity known as Second Chance Resources Group, an organization supposedly dedicated to

providing poor New Yorkers with services including HIV/AIDS education, counseling, and addiction treatment. Between 2016 and 2018, Second Chance received approximately \$178,400 in funding from DOHMH, and an additional approximately \$41,660 in funding from the DYCD. The investigation revealed that Second Chance, in fact, provided none of the services for which it had received funding, and that GREGG and CARO submitted false reports to DOHMH and DYCD to conceal their theft and allegedly used the funds for their personal expenses. In a related scheme, GREGG and CARO committed welfare fraud by falsifying an application for rental assistance from the City's Human Resources Administration ("HRA") by falsely claiming that CARO needed \$6,200 in emergency rental assistance to pay her purported landlord, the charity Second Chance. In addition, in 2014 and 2017, GREGG failed to report income in excess of \$3,000 and \$1,000 respectively from Second Chance in his personal income tax filings.

GREGG was previously convicted of Grand Larceny in the Fourth Degree in 2009 in Richmond County for impersonating an attorney and stealing approximately \$31,100 from his then-girlfriend and her parents, and was sentenced to 18 months to 3 years of incarceration. Also in 2009 in Richmond County, GREGG was convicted of Grand Larceny in the Third Degree for impersonating an attorney and stealing approximately \$156,877 from an acquaintance by keeping the proceeds of the sale of her home, and was sentenced to three to six years of incarceration.

DOI Commissioner Garnett thanked Richmond County District Attorney Michael E. McMahon, DOHMH Commissioner Dr. Oxiris Barbot, DYCD Commissioner Bill Chong, and Commissioner of the Department of Social Services Steven Banks, and their staffs, for their assistance and cooperation in this investigation.

The investigation was conducted by DOI's Office of the Inspector General for City-Funded Not-For-Profit Organizations, specifically Assistant General Counsel Amy Young, Assistant Inspector General Nicole Clyne, and Special Investigator Beatriz Solorzano, under the supervision of Inspector General Eleonora Rivkin, Associate Commissioner Andrew Brunsten, Deputy Commissioner/Chief of Investigations Dominick Zarrella, and First Deputy Commissioner Daniel Cort.

The case is being prosecuted by Assistant District Attorney Nicole Lauterbach of the Richmond County District Attorney's Economic Crimes Bureau, under the supervision of Assistant District Attorney Jeffrey Curiale, Chief of the Economic Crimes Bureau.

A criminal complaint is an accusation. Defendants are presumed innocent until proven guilty.

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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