

COPY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
:
UNITED STATES OF AMERICA :
:
- v - :
:
RICHARD BREGA, :
:
Defendant. :
----- X

INDICTMENT

17 Cr. 58

COUNT ONE

(Conspiracy to Commit Mail Fraud)

The Grand Jury charges:

Relevant Individuals and Entities

1. At all times relevant to this Indictment:
 - a. RICHARD BREGA, the defendant, owned and controlled vehicle repair and transportation companies in Rockland County.
 - b. Brega D.O.T. Maintenance Corp. ("Brega DOT") was a fleet maintenance repair shop owned and controlled by BREGA.
 - c. Through Boards of Cooperative Educational Services, or "BOCES," New York provides school districts with a program of shared educational services. BOCES allow multiple school districts to save money by pooling resources and sharing costs. BOCES are governed by a Board of Education, made up of representatives from component districts.

d. Rockland BOCES serves eight school districts in Rockland County. Among the services that Rockland BOCES offers to its students is transportation, for which it has a fleet of buses and other vehicles (hereinafter collectively referred to as "Rockland BOCES' buses" and "bus fleet"), some of which are specially equipped for students with physical disabilities.

e. Rockland BOCES receives federal funding each year, significantly in excess of \$10,000, including more than one million dollars some years.

f. A co-conspirator not named herein ("CC-1") was an employee of Rockland BOCES. Among other duties, CC-1 was responsible for the upkeep and maintenance of Rockland BOCES' bus fleet, and approving the payment of invoices from any entities that contracted to inspect and maintain Rockland BOCES' bus fleet. CC-1 is no longer employed by Rockland BOCES.

g. A co-conspirator not named herein ("CC-2") was, from in or about 2012, through in or about 2015, employed by Brega DOT.

2. From in or about 2008 or 2009, through in or about 2015, Brega DOT provided vehicle repair service and maintenance for Rockland BOCES' bus fleet.

3. The service of Rockland BOCES' buses by Brega DOT included regular preventative maintenance ("Preventative Maintenance"). To perform Preventative Maintenance on a

Rockland BOCES bus, Brega DOT was supposed to, among other things, receive the bus at Brega DOT's facility, inspect it, and perform needed maintenance. To obtain payment for Preventative Maintenance, Brega DOT created invoices documenting the work done, provided the invoices to Rockland BOCES, and, once CC-1 approved the bill, received payment from Rockland BOCES.

The Conspiracy

4. From in or about 2012, through in or about 2014, RICHARD BREGA, the defendant, conspired to and did steal money from Rockland BOCES by, among other things, billing Rockland BOCES for vehicle repair services that, as BREGA well knew, were never performed. To do so, BREGA had fraudulent invoices made, to give the false appearance that his company had performed regular Preventative Maintenance on certain buses, when in fact those buses were not even brought to Brega DOT.

5. To create the fraudulent invoices, and to obtain payment from Rockland BOCES for work that was never performed, RICHARD BREGA, the defendant, bribed CC-1 - the employee of Rockland BOCES who oversaw upkeep and maintenance of its buses - with tens of thousands of dollars-worth of free personal vehicle repairs. CC-1 emailed BREGA lists of buses and their mileages for purposes of creating fraudulent invoices, and thereafter approved payment of the fraudulent invoices at Rockland BOCES.

6. In addition, during the investigation of the criminal conspiracy, BREGA obstructed justice by attempting to cover up his bribery of CC-1 with a series of financial transactions designed to conceal BREGA's provision of free personal vehicle services to CC-1.

Statutory Allegations

7. From in or about 2012 through in or about 2014, in the Southern District of New York and elsewhere, RICHARD BREGA, the defendant, together with others known and unknown, unlawfully and knowingly did combine, conspire, confederate and agree together and with each other to commit mail fraud and honest services fraud in violation of Title 18, United States Code, Sections 1341 and 1346.

8. It was an object of the conspiracy that RICHARD BREGA, the defendant, together with others known and unknown, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, and to deprive the citizens of Rockland County of their right to the honest services of CC-1, an employee of Rockland BOCES, for the purpose of executing such scheme and artifice, would and did place in a post office and authorized depository for mail matter, matters and things to be sent and delivered by the Postal Service, and would and did deposit and cause to be deposited matters and things,

to be sent and delivered by private and commercial interstate carriers, and would and did take and receive therefrom such matters and things and knowingly did cause to be delivered by mail and such carriers according to direction thereon, such matters and things, in violation of Title 18, United States Code, Sections 1341 and 1346.

Means and Methods of the Conspiracy

9. The conspiracy was accomplished through, among other things, the following means and methods:

a. From in or about 2009, through in or about 2014, RICHARD BREGA, the defendant, provided CC-1 with free vehicle repairs for CC-1's personal vehicles and those of CC-1's friends and family. At one point, the value of the free vehicle services that Brega DOT provided to CC-1 totaled approximately \$47,000.

b. From in or about 2012, through in or about 2014, BREGA, the defendant, caused Brega DOT to bill Rockland BOCES for Preventative Maintenance that, as BREGA well knew, Brega DOT never performed. Brega DOT, in fact, billed Rockland BOCES for more than \$86,000 for claimed instances of Preventative Maintenance when, in those instances, the bus at issue was never even brought to Brega DOT.

c. In addition, BREGA caused Brega DOT to automatically and routinely overcharge Rockland BOCES for labor and parts.

d. To bill Rockland BOCES for work that was not done, on buses that were not brought to Brega DOT, BREGA, CC-1, and CC-2, along with others acting on their behalf, created fraudulent invoices. CC-1 emailed BREGA lists of buses and their respective mileages. BREGA thereafter caused CC-2 and others to create invoices, listing the mileages provided by CC-1, falsely documenting that the bus had undergone Preventative Maintenance at Brega DOT, when in fact, as BREGA well knew, it had not.

e. Once the fraudulent bills were sent from Brega DOT to Rockland BOCES, CC-1 authorized payment. Payments were mailed from Rockland BOCES. CC-1 did so because, among other things, Brega DOT was servicing CC-1's vehicles and those of CC-1's family and friends for free.

(Title 18, United States Code, Section 1349.)

COUNT TWO

(Mail Fraud)

The Grand Jury further charges:

10. The allegations set forth in paragraphs 1 through 9 are repeated and realleged as if set forth fully herein.

11. From in or about 2012, through in or about 2014, in the Southern District of New York, RICHARD BREGA, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses,

representations, and promises, and to deprive the citizens of Rockland County of their right to the honest services of CC-1, an employee of Rockland BOCES, for the purpose of executing such scheme and artifice and attempting to do so, did place in a post office and authorized depository for mail matter, matters and things to be sent and delivered by the Postal Service, and did deposit and cause to be deposited matters and things, to be sent and delivered by private and commercial interstate carriers, and did take and receive therefrom such matters and things and knowingly did cause to be delivered by mail and such carriers according to direction thereon, such matters and things, and aided and abetted the same, to wit, BREGA caused, through bribery, and aided and abetted others in causing, Rockland BOCES to mail checks to BREGA and companies he controlled as payment, in part, for work that was never actually performed.

(Title 18, United States Code, Sections 1341, 1346, and 2.)

COUNT THREE

(Bribery Concerning Program Receiving Federal Funds)

The Grand Jury further charges:

12. The allegations set forth in paragraphs 1 through 9 are repeated and realleged as if set forth fully herein.

13. From in or about 2010, through in or about 2014, in the Southern District of New York, RICHARD BREGA, the defendant, corruptly did give, offer, and agree to give anything of value

to any person, with intent to influence and reward an agent of an organization and agency that received, in a one-year period, benefits in excess of \$10,000 under a federal program involving a grant, subsidy, loan, guarantee, insurance, and other form of federal assistance, to wit, Rockland BOCES, in connection with any business, transaction, and series of transactions of such organization and agency involving a thing of value of \$5,000 and more, and aided and abetted the same, to wit, BREGA provided tens of thousands of dollars of free vehicle repair services to an employee of Rockland BOCES with the intent to influence and reward that employee in connection with Rockland BOCES business, which employee approved tens of thousands of dollars of invoices that BREGA caused to be sent to Rockland BOCES, in part, for work that was never actually performed.

(Title 18, United States Code, Sections 666(a)(2) and 2.)

COUNT FOUR

(Theft Concerning Program Receiving Federal Funds)

The Grand Jury further charges:

14. The allegations set forth in paragraphs 1 through 9 are repeated and realleged as if set forth fully herein.

15. From in or about 2012, through in or about 2014, in the Southern District of New York, RICHARD BREGA, the defendant, aided and abetted CC-1 who, being an agent of a local government and agency thereof, which received, in a one year period,

benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of Federal assistance, to wit, Rockland BOCES, did embezzle, steal, obtain by fraud, and otherwise without authority knowingly converted to the use of another person other than the rightful owner and intentionally misapplied, property that was valued at \$5,000 and more, and was owned by, and was under the care, custody, and control of Rockland BOCES, to wit, BREGA aided, abetted, counseled, commanded, induced and procured the theft of tens of thousands of dollars of Rockland BOCES property by an employee of Rockland BOCES.

(Title 18, United States Code, Sections 666(a)(1)(A) and 2.)

COUNT FIVE

(Obstruction of Justice)

The Grand Jury further charges:

16. The allegations set forth in paragraphs 1 through 9 are repeated and realleged as if set forth fully herein.

17. In or about late 2014, through in or about 2015, in the Southern District of New York, RICHARD BREGA, the defendant, (1) corruptly did persuade another person, and attempt to do so, and engage in misleading conduct toward another person, with intent to hinder, delay, and prevent the communication to a law enforcement officer of information relating to the commission and possible commission of a Federal offense, and (2) corruptly

did obstruct, influence, and impede an official proceeding, and attempt to do so, to wit, BREGA arranged a series of transactions with CC-1 to conceal BREGA's provision of years of free vehicle repairs to CC-1 as part of a fraud scheme.

(Title 18, United States Code, Sections 1512(b)(3), (c)(2), and 2.)

FORFEITURE ALLEGATION

18. As a result of committing the offenses charged in Counts One through Five of this Indictment, RICHARD BREGA, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28 United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

Substitute Assets Provision

19. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

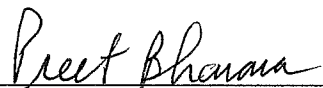
d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)

FOREPERSON



PREET BHARARA
United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

RICHARD BREGA,

Defendant.

INDICTMENT

17 Cr. ____ ()

(18 U.S.C. §§ 666(a)(1)(A), 666(a)(2),
1341, 1346, 1349, 1512(b)(3),
1512(c)(2), and 2.)

PREET BHARARA

United States Attorney.
