

ACCUSATORY INSTRUMENT FELONY COMPLAINT C.P.L. 100.15
STATE OF NEW YORK: COUNTY OF DELAWARE
LOCAL CRIMINAL COURT: TOWN OF WALTON

FELONY COMPLAINT

THE PEOPLE OF THE STATE OF NEW YORK

-against-

CARL R. CARRO (DOB 08-16-1961),

Defendants.

Philip V. Apruzzese
Assistant Attorney General
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Assistant Attorney General
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STATE OF NEW YORK)
COUNTY OF DELAWARE) ss.:

I, Detective Supervisor Mitchell J. Paurowski, of the New York State Office of the Attorney General (“OAG”), whose official address is The Capital Albany, New York, 12224, deposes and states by this Felony Complaint the following:

On or about the dates specified below, in the Town of Walton, County of Delaware, State of New York, and elsewhere, the defendant, CARL R. CARRO, committed the following offenses:

COUNTS

NYS Tax Law § 1804	Criminal Tax Fraud in the Third Degree, a class D felony (Counts 1 through 3)
NYS Tax Law § 1803	Criminal Tax Fraud in the Fourth Degree, a class E felony (Count 4)
Penal Law § 175.35(1)	Offering a False Instrument for Filing in the First Degree, a class E felony (Count 5)
NYS Tax Law § 1808	Repeated Failure to File Personal Income Tax, a class E felony (Counts 6 through 8)

FIRST COUNT – CRIMINAL TAX FRAUD IN THE THIRD DEGREE

On or about March 14, 2021, in the Town of Walton, County of Delaware, State of New York and elsewhere, the defendant, CARL R. CARRO, committed the crime of **Criminal Tax Fraud in the Third Degree**, in violation of § 1804 of the Tax Law of the State of New York, a class D felony, when defendant committed a tax fraud act or acts and, with the intent to evade a tax due, and to defraud the state and any subdivision thereof, the defendant paid the state and political subdivision of the state (whether by means of underpayment or receipt of refund or both), in a period of not more than one year in excess of ten thousand dollars (\$10,000.00) less than the tax liability that is due, to wit: the defendant's personal income tax due for tax year 2020.

SECOND COUNT – CRIMINAL TAX FRAUD IN THE THIRD DEGREE

On or about April 15, 2019, in the Town of Walton, County of Delaware, State of New York and elsewhere, the defendant, CARL R. CARRO, committed the crime of **Criminal Tax Fraud in the Third Degree**, in violation of § 1804 of the Tax Law of the State of New York, a class D felony, when defendant committed a tax fraud act or acts and, with the intent to evade a tax due, and to defraud the state and any subdivision thereof, the defendant paid the state and political subdivision of the state (whether by means of underpayment or receipt of refund or both), in a period of not more than one year in excess of ten thousand dollars (\$10,000.00) less than the tax liability that is due, to wit: the defendant's personal income tax due for tax year 2018.

THIRD COUNT – CRIMINAL TAX FRAUD IN THE THIRD DEGREE

On or about April 16, 2018, in the Town of Walton, County of Delaware, State of New York and elsewhere, the defendant, CARL R. CARRO, committed the crime of **Criminal Tax Fraud in the Third Degree**, in violation of § 1804 of the Tax Law of the State of New York, a class D felony, when defendant committed a tax fraud act or acts and, with the intent to evade a tax due, and to defraud the state and any subdivision thereof, the defendant paid the state and political subdivision of the state (whether by means of underpayment or receipt of refund or both), in a period of not more than one year in excess of ten thousand dollars (\$10,000.00) less than the tax liability that is due, to wit: the defendant's personal income tax due for tax year 2017.

FOURTH COUNT – CRIMINAL TAX FRAUD IN THE FOURTH DEGREE

On or about July 15, 2020, in the Town of Walton, County of Delaware, State of New York and elsewhere, the defendant, CARL R. CARRO, committed the crime of **Criminal Tax Fraud in the Third Degree**, in violation of § 1804 of the Tax Law of the State of New York, a class E felony, when defendant committed a tax fraud act or acts and, with the intent to evade a tax due, and to defraud the state and any subdivision thereof, the defendant paid the state and political subdivision of the state (whether by means of underpayment or receipt of refund or both), in a period of not more than one year in excess of three thousand dollars (\$3,000.00) less than the tax liability that is due, to wit: the defendant's personal income tax due for tax year 2019.

**FIFTH COUNT – OFFERING A FALSE INSTRUMENT FOR FILING
IN THE FIRST DEGREE**

On or about March 14, 2021, in the Town of Walton, County of Delaware, State of New York and elsewhere, the defendant, CARL R. CARRO, committed the crime of **Offering a False Instrument for Filing in the First Degree**, in violation of Penal Law § 175.35(1), a class E felony, when defendant, knowing that a written instrument contained a false statement or false information, and with intent to defraud the state or any political subdivision, public authority or public benefit corporation of the state, offered or presented it to a public office, public servant, public authority or public benefit corporation with the knowledge or belief that it would be filed with, registered or recorded in or otherwise become a part of the records of such public office, public servant, public authority or public benefit corporation, to wit: a NYS IT-201 Personal Income Tax Return for tax year 2020.

SIXTH COUNT – REPEATED FAILURE TO FILE NYS PERSONAL INCOME TAX

On or about July 15, 2020, in the Town of Walton, County of Delaware, State of New York, the defendant, CARL R. CARRO, committed the crime of **Repeated Failure to File NYS Personal Income Tax**, in violation of § 1808(a) of the Tax Law of the State of New York, a class E felony, when defendant, with the intent to evade any tax imposed under Article 22 or any related income or earnings tax statute, fails to file a return for three consecutive taxable years, having had an unpaid tax liability due with respect to each of the three consecutive years, to wit: the defendant's personal income tax due for tax years 2019, 2018, and 2017.

SEVENTH COUNT – REPEATED FAILURE TO FILE NYS PERSONAL INCOME TAX

On or about April 15, 2019 in the Town of Walton, County of Delaware, State of New York, the defendant, CARL R. CARRO, committed the crime of **Repeated Failure to File NYS Personal Income Tax**, in violation of § 1808(a) of the Tax Law of the State of New York, a class E felony, when defendant, with the intent to evade any tax imposed under Article 22 or any related income or earnings tax statute, fails to file a return for three consecutive taxable years, having had an unpaid tax liability due with respect to each of the three consecutive years, to wit: the defendant's personal income tax due for tax years 2018, 2017 and 2016.

EIGHTH COUNT – REPEATED FAILURE TO FILE NYS PERSONAL INCOME TAX

On or about April 16, 2018 in the Town of Walton, County of Delaware, State of New York, the defendant, CARL R. CARRO, committed the crime of **Repeated Failure to File NYS Personal Income Tax**, in violation of § 1808(a) of the Tax Law of the State of New York, a class E felony, when defendant, with the intent to evade any tax imposed under Article 22 or any related income or earnings tax statute, fails to file a return for three consecutive taxable years, having had an unpaid tax liability due with respect to each of the three consecutive years, to wit: the defendant's personal income tax due for tax years 2017, 2016 and 2015.

The defendant committed the above crimes in the following manner:

1. This felony complaint is based upon information and belief, with the sources of my information and the grounds for my belief being: the investigation conducted by the OAG; my conversations with OAG Investigators assigned to this investigation; my review of certified bank records, including account opening documents and signature cards for the following bank accounts: Citizens Bank (“Citizens”) account ending 1167 in the name of Endeavor Management Solutions, LLC (“EMS”); NBT Bank (“NBT”) account ending 1770 in the name of Endeavor Consultancy, Inc. (“EC”); Sidney Federal Credit Union (“SFCU”) accounts ending 243-0 and 243-500 in the name of EMS, and ending 667-0 and 667-9 in the name of CARRO; Tioga Bank (“Tioga”) account ending 8363 in the name of EC; Trustco Bank (“Trustco”) accounts ending 2408 and 6842 in the name of James Doyle; Wayne Bank (“Wayne”) account ending 6446 in the name of EMS; Community Bank NA (“Community”) account ending 2695 in the name of Richard Rothermel Attorney Escrow Account; and additional financial records from Capital One; my review of records from DaVinci Virtual, LLC (“DaVinci”); my review of records from LinkedIn; my review of records from PayPal; my review of records from AT&T; my review of records from T-Mobile; my review of records from Verizon-Cellco; my review of records from Fidelity Investments; my review of records from Liquid Web, Inc.; my review of documents filed with the New York State Department of State (“NYS DOS”); my review of documents filed with the Delaware State Department of State (“DESDOS”); my discussions with 25 witness investors, whose identities are known to me, and my review of records provided by those witnesses related to EC and/or EMS (jointly referred to as “Endeavor”); my review of records of the Delaware County Probation Department; my conversations with and review of records of the Delaware County District Attorney’s Office; my discussions with OAG Principal Auditor Investigator Meaghan Scotellaro (“Auditor Scotellaro”); and my discussions with NYS Department of Taxation and Finance Tax (“DTF”) Auditor II Rakesh Patel.

2. During my review of records from the NYSDOS, I reviewed a Certification of Incorporation for EC, filed on February 11, 2005, with a mailing address of 590 Madison Avenue, 21st floor, New York, NY 10022. This Certification of Incorporation indicates the name of CARRO as the filer. Additionally, during my review of records filed with the DESDOS, I observed that on March 10, 2015, a Certificate of Formation for EMS was filed, with a registered office address of 2711 Centerville Road, Suite 400, Wilmington, DE 19808.

3. I have also reviewed account opening documents and signature cards contained in the certified bank records for Citizens, NBT, SFCU, Tioga, and Wayne banks and observed that from January 2012 through and including December 2020, CARRO was the sole signatory on these business accounts using a listed mailing address of P.O. Box 57, Walton, New York, for account ending 1770 in the name of EC at NBT, account ending 8363 in the name of EC at Tioga, account ending 1167 in the name of EMS at Citizens, accounts ending 243-0 and 243-500 in the name of EMS at SFCU, and account ending 6446 in the name of EMS at Wayne (collectively, the “Subject Accounts”).

4. During the course of my investigation, I interviewed 25 witness investors who informed me that after they spoke with CARRO's business associate, they invested over \$2,000,000 in connection with promises of obtaining high interest rates returnable within a short time, with no risk and the ability to obtain lucrative board of director seats. As more fully described below, an audit by Auditor Scotellaro revealed between January 2012 and December 2020, investor funds were wired to bank accounts controlled by CARRO and used for personal expenses, as well as to repay certain prior investors.

5. I am informed by Auditor Scotellaro that a review of the financial records for the Subject Accounts demonstrates that between 2012 and 2020, over \$2,300,000 were deposited from investors, including \$67,215.09 in cash deposits, into the Subject Accounts. During the same time period, CARRO paid \$2,018,846.05 in personal expenses from the Subject Accounts, specifically:

- Between 2012 and 2015, for NBT Account Ending 1770 received investor funds totaling \$1,000,575.00; from the same account, CARRO paid personal expenses totaling: \$233,824.26 in 2012; \$300,374.48 in 2013; \$238,549.66 in 2014; and \$26,459.60 in 2015;
- Between 2013 and 2015, for Tioga Bank Account Ending 8363, received investor funds totaling \$187,450.00; from the same account, CARRO paid personal expenses totaling: (i) \$971.81 in 2013; (ii) \$8,835.23 in 2014; and (iii) \$163,322.37 in 2015;
- Between 2015 and 2017, for Citizens Bank Account Ending 1167, received investor funds totaling \$534,195.00; from the same account, CARRO paid personal expenses totaling: (i) \$103,477.64 in 2015; (ii) \$262,839.34 in 2016; and \$21,597.13 in 2017;
- Between 2017 and 2018, for SFCU Account Ending 3-500, received investor funds totaling \$64,299.00; from the same account, CARRO paid personal expenses totaling: (i) \$56,748.41 in 2017; and (ii) \$2,849.33 in 2018;
- Between 2017 and 2020, for Wayne Bank Account Ending 6446, received investor funds totaling \$637,075.09; from the same account, CARRO paid personal expenses totaling: (i) \$125,508.70 in 2017; (ii) \$222,717.04 in 2018; (iii) \$84,795.35 in 2019; and (iv) \$165,975.65 in 2020.

6. Auditor Scotellaro further informs me that CARRO, as sole signatory on the above-specified Subject Accounts, made \$667,035.40 in cash withdrawals, paid \$251,893.06 in credit card payments, used \$119,660.20 on pet expenses, and made \$384,486.00 in partial repayments to investors and to pay criminal restitution on a prior unrelated matter. The total amount that CARRO paid in personal expenses for each year calendar year is as follows: (i) \$233,824.26 in 2012; (ii) \$301,346.29 in 2013; (iii) \$247,384.89 in 2014; (iv) \$293,259.66 in 2015; (v) \$262,839.34 in 2016; (vi) \$203,854.24 in 2017; (vii) \$225,566.37 in 2018; (viii) \$84,795.35 in 2019; and (ix) \$165,975.65 in 2020.

7. I reviewed an affidavit signed by CARRO, dated February 4, 2016, which was provided in support of a motion filed on his behalf in a prior criminal case, where he states, in pertinent part, "...I currently work with Endeavor Management Solutions, a small executive search and management consulting firm. Although in the past my salary has been higher, I am currently making approximately \$150,000.00 per year." Moreover, I reviewed a justifying affidavit signed by CARRO, dated January 14, 2021, which was provided in support of a bail application on his behalf in a prior criminal case, where he states, in pertinent part, "I have been self-employed as a management consultant, located at 1 Murphy Hill Road, Walton, New York 13856, for approximately the past three years. My income during the past year is approximately \$50,000. My average income over the past five years is approximately \$50,000." A review of Auditor Scotellaro's audit of financial records as specified herein reveals that the income stated by the defendant is less than what he actually received as income during the specified time periods.

8. I am informed by Rakesh Patel, Tax Auditor II with the Criminal Investigation Division, New York State Department of Taxation and Finance ("DTF") that an individual who resides, works, or otherwise receives an income in New York State in excess of \$4,000.00 is required to file a New York State IT-201 Personal Income Tax Return (NYS IT-201). The following is a list of dates for tax years 2017 through 2020 that the NYS IT-201 form was required to be filed on or before:

Tax Year	Deadline to File
2017	April 17, 2018
2018	April 15, 2019
2019	July 15, 2020
2020	May 17, 2021

9. Auditor Patel further informs me that he reviewed DTF business records concerning NYS IT-201 filings for the 2012 through 2020 tax years. These records indicate that the defendant, CARRO, failed to file NYS IT-201's for each of the years 2012 through 2019. Additionally, Auditor Patel informs me that the DTF business records show no tax liability was paid by CARRO, or on behalf of CARRO, from at least 2012 through the present. Auditor Patel also informs me that the DTF business records show that there were no requests for extensions to file the NYS IT-201 with DTF.

10. Auditor Patel further informs me that a review of the DTF business records showed that a NYS IT-201 for CARRO and his spouse for tax year 2020 ("2020 Tax Return") was submitted electronically on or about March 14, 2021. The 2020 Tax Return indicates that it was submitted in the name of CARRO. Based on conversations with Auditor Patel and a review of the 2020 Tax Return, the return indicates that CARRO was unemployed and had no income in the 2020 tax year. The 2020 Tax Return indicates that CARRO listed his mailing address as P.O. Box 57, Walton, New York. Furthermore, the 2020 Tax Return lists CARRO's phone number ending in 8948 and an email address listed as "CRCARRO@GMAIL.COM". A review of records from AT&T Wireless indicate that this phone number has been registered to CARRO

since at least 2013, listing the same mailing address and email address as the 2020 Tax Return with CARRO listed as the financially responsible party.

11. Auditor Patel further informs me that based on the above-described calculations by Auditor Scotellaro concerning CARRO's personal income, and the fact that CARRO resided and collected money in Walton, New York, CARRO was required to file a NYS IT-201 for each of the tax years 2012 through and including 2020.

12. Furthermore, Auditor Patel determined that by not filing for each of the above-specified tax years, and by indicating no income on the 2020 Tax Return, CARRO owes in excess of \$10,000 for tax years 2016, 2017, 2018, and 2020, and in excess of \$3,000 in tax year 2019. Specifically, Auditor Patel informs me that the tax liability, which remains unpaid, totals \$130,854 for 2012 through and including 2020; specifically: (i) \$15,374.00 in 2012; (ii) \$20,115.00 in 2013; (iii) \$16,313.00 in 2014; (iv) \$19,547.00 in 2015; (v) \$17,450.00 in 2016; (vi) \$13,024.00 in 2017; (vii) \$14,423.00 in 2018; (viii) \$4,482.00 in 2019; and (ix) \$10,126.00 in 2020. Auditor Patel further informs me that CARRO did not have permission or authority to fail to file the IT-201s, to file a false IT-201, and to fail to remit taxes owed to the DTF in the above-described manner.

False statements made herein are punishable as a class A Misdemeanor pursuant to Penal Law §210.45.



Mitchell J. Paurowski
Detective Supervisor
New York State Office of the Attorney General

Dated: MAY 19, 2022
Walton, New York