

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 10-
: :
: 18 U.S.C. §§ 666(a)(1)(B),
: 981(a)(1)(C) and § 2;
v. : 26 U.S.C. § 7201;
: 28 U.S.C. § 2461
: :
FRANK D'ALONZO : I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNT 1 - Bribery

1. At all times relevant to Count 1 of this Information:

a. Defendant FRANK D'ALONZO was an official at the Toms River Regional School District (the "District") located in Toms River, New Jersey. At the District, defendant FRANK D'ALONZO held various positions, including the District Supervisor of Technology Projects and the District Supervisor of Athletics.

b. There was an executive employee of the District who recommended the appointment of defendant FRANK D'ALONZO to the above positions, and who oversaw the District's approximately \$200 million yearly budget and its approximately 2,000 employees (the "Executive Employee"). The Executive Employee was an agent

of the District, and had the authority to, among other things, (i) sign contracts on behalf of the District, (ii) consult with District board members as to District matters, and (iii) make recommendations to District board members as to the appointment of insurance brokers for the District and as to other insurance matters.

c. There was an insurance broker who specialized in providing insurance brokerage services for public entities, including municipalities and school boards (the "Insurance Broker"). Through companies under his control, the Insurance Broker obtained yearly insurance brokerage contracts with, and provided insurance brokerage services for, numerous New Jersey local government entities, including, but not limited to, the District from at least in or about 1998. During the relevant time period, the Insurance Broker, through his companies, received well over \$1,000,000 in premiums, brokerage commissions and fees on a yearly basis for providing insurance brokerage and other insurance services to the District.

d. There was an employee of the District (the "District Employee") who was hired by the District at the Executive Employee's recommendation in or about 1998.

e. There was an individual who owned and operated companies that provided employee assistance plan ("EAP")

services, as well as workers compensation administration services (the "Service Provider") to the District.

f. At all times relevant to Count 1 of this Information, the District received benefits in excess of \$10,000 per year under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance and other forms of Federal assistance.

Kickbacks in Connection with the Service Provider

g. At least as early as in or about 2001, defendant FRANK D'ALONZO recommended to the Executive Employee that the District should hire the Service Provider to provide EAP services to the District. The Executive Employee informed defendant FRANK D'ALONZO that the Executive Employee would not approve any contract with the Service Provider unless the Service Provider paid a kickback to the Executive Employee. As part of the scheme, the Executive Employee instructed defendant FRANK D'ALONZO to collect kickbacks from the Service Provider, split the kickbacks fifty percent with the Executive Employee, and then pay the Executive Employee his share in cash and through other means. Further, the Executive Employee informed defendant FRANK D'ALONZO that this arrangement would apply to any other business involving the Service Provider referred to the District by defendant FRANK D'ALONZO.

h. As part of the scheme, defendant FRANK D'ALONZO formed DMD Evaluations, Inc. ("DMD"), MMD Development Inc. ("MMD"), and Rhett LLC ("Rhett," together with DMD and MMD, the "D'ALONZO Companies") and opened bank accounts for the D'ALONZO Companies for the purpose of secretly collecting kickbacks and other corrupt payments on behalf of the Executive Employee from third parties, including the Service Provider, seeking the Executive Employee's official assistance and influence.

i. Defendant FRANK D'ALONZO informed the Service Provider that the Service Provider would have to pay a fee to defendant FRANK D'ALONZO if the Service Provider wanted to provide EAP services to the District. The Service Provider agreed and subsequently the Executive Employee recommended and approved hiring the Service Provider to provide EAP services to the District.

j. Through his companies, the Service Provider was awarded the contract to provide EAP services to the District's employees beginning at least in or about 2002. From in or about 2002 to in or about 2007, the Service Provider received a total of approximately \$760,000 from the District pursuant to the EAP services contract. As per the corrupt agreement, from in or about 2003 to in or about 2007, defendant FRANK D'ALONZO, through the D'ALONZO Companies, received over approximately \$100,000 from the Service Provider, then distributed a portion of such money to

the Executive Employee in cash and other means as directed by the Executive Employee in exchange for the Executive Employee's official assistance in obtaining and retaining this business with the District.

Kickbacks in Connection with the Insurance Broker

k. In or about 2002, defendant FRANK D'ALONZO met with the Insurance Broker, the Executive Employee, and an associate of the Insurance Broker to discuss a scheme whereby the Executive Employee would recommend and the District approve the Insurance Broker for significant parts of its insurance business totaling in the millions of dollars, in which the fee pertaining to this business would be padded so that the Insurance Broker would receive significant profit on a yearly basis. As part of this scheme, the Insurance Broker formed a shell company in order to funnel a portion of the profits from the insurance business acquired from the District through defendant FRANK D'ALONZO to the Executive Employee, in exchange for the Executive Employee's official assistance in obtaining and retaining insurance business with the District.

l. As part of this scheme, from in or about 2003 to in or about 2006, defendant FRANK D'ALONZO received, through the D'ALONZO Companies, several hundreds of thousands of dollars in corrupt payments from the Insurance Broker, and then passed on approximately fifty percent of such payments to the Executive

Employee in cash and through other means as directed by the Executive Employee.

Other Things of Value

m. As further part of this scheme, defendant FRANK D'ALONZO, at the Executive Employee's direction, used proceeds from the Insurance Broker and the Service Provider to defray expenses for the direct and indirect benefit of the Executive Employee to include:

(i) On or about February 20, 2004, defendant FRANK D'ALONZO issued a DMD check in the amount of approximately \$20,000 to pay down the Executive Employee's home equity line of credit;

(ii) On or about May 14, 2004, defendant FRANK D'ALONZO issued an MMD check in the amount of approximately \$12,747.46 to an appliance store in Raritan, New Jersey in connection with the purchase of appliances for the Executive Employee's former residence in Toms River;

(iii) On or about May 25, 2004, defendant FRANK D'ALONZO issued an MMD check in the amount of approximately \$5,850 to a plumber to pay approximately \$5,000 in expenses that the Executive Employee had incurred; and

(iv) On or about July 30, 2004, defendant FRANK D'ALONZO issued an MMD check in the amount of approximately \$13,592.38 to the above-referenced appliance store to purchase appliances for a relative of the Executive Employee, as directed by the Executive Employee.

2. From at least in or about 2001 to in or about June 2006, in Ocean County, in the District of New Jersey and elsewhere, defendant

FRANK D'ALONZO,

the Executive Employee and others did knowingly and corruptly solicit, demand, accept, and agree to accept things of value of \$5,000 and more, including the items set forth below, for the benefit of the Executive Employee and others with the intent for the Executive Employee to be influenced and rewarded in connection with a business, transaction, and series of transactions of the District involving a thing of value of \$5,000 and more.

3. It was part of the corrupt activity that, in or about October 2005, defendant FRANK D'ALONZO was directed by the Executive Employee to use the corrupt payments received by the D'ALONZO Companies to purchase a car for a relative of the District Employee on the Executive Employee's behalf. On or about October 17, 2005, defendant FRANK D'ALONZO, using the corrupt payments received by the D'ALONZO Companies from the Insurance Broker and the Service Provider, purchased a car for the District Employee's relative for approximately \$7,999 in cash.

4. It was further part of the corrupt activity that, from in or about September 2005 through in or about June 2006, defendant FRANK D'ALONZO accepted thousands of dollars in corrupt payments from the Insurance Broker and the Service Provider, and passed on approximately fifty percent of such corrupt payments,

directly and indirectly, to the Executive Employee, in exchange for the Executive Employee's official assistance in obtaining and retaining insurance and other business for the benefit of the Insurance Broker and the Service Provider.

In violation of Title 18, United States Code, Section 666(a)(1)(B) and Section 2.

COUNTS 2 to 4 - Tax Evasion

1. Paragraphs 1(a) to 1(m) of Count 1 of this Information are hereby incorporated and realleged as if fully set forth herein.

2. From at least in or about January 2003 to in or about June 2006, defendant FRANK D'ALONZO received hundreds of thousands of dollars in corrupt payments from the Insurance Broker and the Service Provider, which defendant FRANK D'ALONZO used to pay cash to the Executive Employee and pay for personal expenses for himself, the Executive Employee, and others at the Executive Employee's direction, in furtherance of a bribery and kickback scheme. Defendant FRANK D'ALONZO failed to accurately report as income the payments that he received from the Insurance Broker and the Service Provider on U.S. Individual Income Tax Return, Internal Revenue Service ("IRS") Forms 1040 tax returns that defendant FRANK D'ALONZO filed with the IRS for tax years 2004 to 2006.

3. On or about the dates set forth below, in Ocean and Essex Counties, in the District of New Jersey, and elsewhere, defendant

FRANK D'ALONZO

did knowingly and willfully attempt to evade and defeat a substantial tax due and owing by him to the IRS for the tax years 2004, 2005 and 2006 as set forth below by failing to report as

income hundreds of thousands of dollars in payments that defendant FRANK D'ALONZO received from the Insurance Broker and the Service Provider as part of a bribery and kickback scheme, by filing false and fraudulent U.S. Individual Income Tax Returns, IRS Forms 1040 with the IRS:

COUNT	TAX YEAR AND RETURN	UNREPORTED INCOME	TAX DEFICIENCY	DATE OF OFFENSE
2	2004, Form 1040	\$550,667	\$196,603	1/6/06
3	2005, Form 1040	\$797,450	\$283,627	9/26/07
4	2006, Form 1040	\$208,101	\$63,337	9/23/07

In violation of Title 26, United States Code, Section 7201.

FORFEITURE ALLEGATION

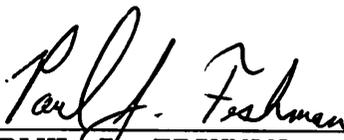
As the result of committing the aforementioned offense in violation of Title 18, United States Code, Section 666(a)(1)(B), as alleged in Count 1 of this Information, defendant FRANK D'ALONZO shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constituted or was derived from proceeds traceable to the commission of the offense, in that such sum constituted and was derived from proceeds traceable to the commission of bribery.

If any of the above-described forfeitable property, as a result of any act or omission of defendant FRANK D'ALONZO:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third party;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of defendant FRANK D'ALONZO up to the value of the above forfeitable property.

In violation of Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461.



PAUL J. FISHMAN
UNITED STATES ATTORNEY

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INFORMATION

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26 U.S.C. § 7201; 28 U.S.C. § 2461**

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