

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No. 15-
	:	
ROBERT MANIA	:	18 U.S.C. §§ 1341 and 2

INFORMATION

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

1. At all times relevant to this Information:

a. Defendant ROBERT MANIA (“defendant MANIA”) was an elected member of the Mount Olive Township Board of Education (the “MOBOE”). The MOBOE, which was comprised of nine elected members, governed the Mount Olive School District (the “School District”), which provided public education to students in Mount Olive Township, New Jersey. Defendant MANIA also owned and operated RHM Benefits, Inc. (“RHM”), a company that provided insurance brokerage services in New Jersey and also was used by defendant MANIA to receive commission and other payments.

b. There was an insurance broker based in Morristown, New Jersey, who specialized in providing insurance brokerage services for public entities, including municipalities and school districts (the “Insurance Broker”). Through the Insurance Broker’s company, the Insurance Broker obtained yearly insurance brokerage contracts with, and provided insurance brokerage services for, numerous New Jersey municipal entities, including, but not limited to,

the School District. During the time period relevant to the Information, defendant MANIA co-brokered several municipal entity accounts with the Insurance Broker (and others).

c. There was an individual formerly employed by a health insurance provider that provided health insurance plans to municipal entities in New Jersey who was an associate of defendant MANIA and the Insurance Broker (the “Associate”). The Associate controlled an entity (the “Associate’s Company”) that purportedly provided insurance brokerage services in New Jersey, but which acted as a recipient for insurance brokerage commissions that were to be further distributed to other individuals and entities, including defendant MANIA and the Insurance Broker.

2. At all times relevant to this Information, the School District paid for, and maintained, on a yearly basis, various commercial insurance policies for the School District and its employees. These policies included, among others, property and casualty insurance and various health insurance policies for School District employees. For each school year, the Insurance Broker’s company was appointed as the risk management consultant for health insurance by the MOBOE and provided health insurance brokerage services to the School District, including making recommendations with respect to health insurance carriers and assisting in negotiating premium renewal rates with such insurance carriers, among other things. For these services, the Insurance Broker’s company would receive commissions that were based on a specific percentage of the yearly health insurance premium paid by the School District to its health insurance carrier (the “Insurance Provider”). Even though the Insurance Broker’s company was paid out of the School District’s premium payment, it received its commissions from the Insurance Provider, not directly from the School District.

3. From in or about 2007 through in or about 2009, in Morris County, in the District of New Jersey, and elsewhere, defendant

ROBERT MANIA,

with others, knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud the School District and its citizens of money and property by means of materially false and fraudulent pretenses, representations, and promises, furthered and facilitated through the use of the United States Mail and commercial interstate carrier delivery.

4. The object of this scheme and artifice to defraud was for defendant MANIA and others, including the Insurance Broker, to inflate the commission rate to be paid on the School District's health insurance coverage and to divert a portion of the commissions on the School District's account to defendant MANIA and the other co-schemers without the disclosure to, or approval of, the School District, with such unlawful activity being furthered and facilitated through the use of the United States Mail and commercial interstate carrier delivery.

5. It was a part of this scheme and artifice to defraud that:

a. In or about 2007, defendant MANIA and others, including the Insurance Broker, agreed that defendant MANIA, who was a member of the MOBOE, would obtain a portion of the commissions received by the Insurance Broker's company for providing health insurance brokerage services to the School District. Defendant MANIA and others, including the Insurance Broker, further agreed to raise the amount of commissions to be paid on the School District's account from 4% to 5% of the School District's annual health insurance premium. It was a further part of this corrupt scheme that the payments to defendant MANIA and the 1% increase in commissions would be concealed from the School District and the other members of the MOBOE.

b. To conceal the payments to defendant MANIA and other co-schemers, in or about June 2007, the Insurance Broker directed the School District's health insurance carrier to pay a portion of the brokerage commissions on the School District's account to the Associate's Company. The Associate would then distribute the commissions to defendant MANIA and others and retain a percentage. The Insurance Broker also was to receive a portion of the diverted commissions.

c. To conceal from the School District that the Associate's Company would be receiving commissions on the School District's account, defendant MANIA and others, including the Insurance Broker, caused the Insurance Provider to send the annual disclosure statement for the School District to defendant MANIA's personal post office box instead of to the School District's Assistant Superintendent for Business at the School District's address. Defendant MANIA, in turn, would not pass such disclosure statement on to the School District and the other members of the MOBOE. The disclosure statement was prepared annually by the Insurance Provider and listed the entities that received commissions on the School District's account and the amount of the commissions paid to those entities. By directing that the annual disclosure statement be sent from the Insurance Provider to him personally, defendant MANIA concealed from the MOBOE and the School District's Assistant Superintendent for Business that the Associate's Company—an entity that had not been disclosed to the MOBOE—was receiving commissions on the School District's health insurance coverage. The concealment of the annual disclosure statements from the School District created the false pretense that the School District was paying one broker a commission rate of 4%, instead of paying two brokers a commission rate of 5%.

d. In or about September 2007, the Associate's Company began receiving commission payments from the Insurance Provider for the School District's account and distributing those payments to defendant MANIA (via RHM) and others, while retaining a percentage of the commissions.

e. In or about January 2008, defendant MANIA and others, including the Insurance Broker, increased the amount of commissions to be paid to the Associate's Company by the Insurance Provider on the School District's account from 20% to 60% of the total amount of commissions. With respect to the now 60% of the School District's commissions to be paid to the Associate's Company, defendant MANIA directed the Associate's Company to issue him in excess of 80% of those diverted commissions.

f. Subsequently, to further conceal defendant MANIA's receipt of commissions on the School District's account, defendant MANIA directed the Associate's Company to pay his portion of the diverted commissions to an entity controlled by an associate of defendant MANIA (the "Intermediary's Company"), which, in turn, paid RHM.

g. The Insurance Provider transmitted payments to the Associate's Company that included commissions on the School District's account from in or about September 2007 and through at least December 31, 2009. These payments were made in the form of checks and transmitted from the Insurance Provider to the Associate's Company through the use of the United States Mail. As set forth in the table below, from in or about September 2007 through in or about at least December 31, 2009, the Insurance Provider made commission payments on the School District's account to the Associate's Company totaling approximately \$606,666 (with another \$86,234 paid in 2010):

YEAR	APPROXIMATE AMOUNT OF SCHOOL DISTRICT COMMISSIONS PAID TO THE ASSOCIATE'S COMPANY BY THE INSURANCE PROVIDER
2007	\$43,530
2008	\$288,336
2009	\$274,800
TOTAL	\$606,666

Of this total, from in or about October 2007 to in or about June 2009, defendant MANIA received approximately \$371,986 in commissions on the School District's account through payments from the Associate's Company and the Intermediary's Company to RHM.

h. Pursuant to this scheme, defendant MANIA took steps to conceal the diverted commissions from the School District. Specifically, in or about October 2008, the Insurance Broker's company mailed to defendant MANIA at his post office box the annual disclosure form, dated October 21, 2008, for the School District for the period July 1, 2007 through June 30, 2008. The reconciliation listed the Associate's Company as a co-broker to which approximately \$167,797 in commissions were paid. Defendant MANIA did not provide the disclosure form to the School District or to the other members of the MOBOE.

i. Similarly, between in or about September and October 2009, the Insurance Broker's company sent to defendant MANIA the annual disclosure form, dated September 26, 2009, for the School District for the period July 1, 2008 through June 30, 2009. The disclosure form listed the Associate's Company as a co-broker to which approximately \$323,153 in commissions were paid. Defendant MANIA did not provide the disclosure form to the School District or to the other members of the MOBOE.

6. From in or about 2007 though in or about 2009, in the District of New Jersey and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendant

ROBERT MANIA,

and others, knowingly and intentionally placed and caused to be placed in a post office and authorized depository for mail, and caused to be delivered thereon, certain mail matter to be sent and delivered by the United States Postal Service, namely, commission checks from the Insurance Provider to the Associate's Company (including commission checks dated May 9, 2009 and June 6, 2009) and the disclosure forms set forth in paragraphs 5.h and 5.i of this Information, and deposited and caused to be deposited matters and things to be sent by private and commercial instate carriers, and took and received therefrom, such matters and things, and caused to be delivered by mail and such carrier according to the direction thereon and at the place to which it was directed to be delivered by the person to whom it was addressed, such matters and things.

In violation of Title 18, United States Code, Section 1341 and Section 2.

Paul J. Fishman/rah

PAUL J. FISHMAN
UNITED STATES ATTORNEY

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UNITED STATES OF AMERICA

v.

ROBERT MANIA

INFORMATION

18 U.S.C. §§ 1341 and 2

PAUL J. FISHMAN

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