

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Susan D. Wigenton
v. : Criminal No. 17-7
LAWRENCE ACKERMAN : Title 18, United States Code,
Sections 1347 and 2

SUPERSEDING INFORMATION

**(Scheme to Defraud Horizon Blue Cross Blue Shield
As a Health Care Benefit Program)**

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

Background

At all times relevant to this Information:

1. **The Defendant and Other Parties**

a. Local 2326 of the International Auto Workers Union (UAW)
(hereinafter "Local 2326"), headquartered in Edison, New Jersey, was a labor
organization as that term is defined in Title 29, United States Code, Sections
142(3), 152(5), 402(i) and (j) and an employee organization as defined in Title
29, United States Code, Section 1002(4). Local 2326 represented, sought to
represent, and would have admitted to membership employees engaged in an
industry and activity affecting commerce, that is, automobile manufacturing,
auto parts industry, and related businesses, with the meaning of those terms
as defined by Title 29, United States Code, Sections 1002 and 1003.

Local 2326 Health Care Plan

b. In or about January 2001, Local 2326 and its employers, whose employees Local 2326 represented pursuant to collective bargaining agreements (“Signatory Employers”), established and maintained the UAW Group Health and Welfare Plan (hereinafter the “Benefit Plan”) which was an employee welfare benefit plan subject to Title I of the Employee Retirement and Income Security Act of 1974 (“ERISA”), as defined by Title 29, United States Code, Section 1002(1) and 1003(a) and a health care benefit program as defined by Title 18, United States Code, Section 24(b). The Benefit Plan was a program created to pay for the delivery of health care benefits for Signatory Employers’ employees and members of Local 2326. The Benefit Plan was governed by a Trust Agreement that established the guidelines by which the Plan was conducted.

c. In or about July 2009, the Benefit Plan entered into an insurance contract with Horizon Blue Cross Blue Shield of New Jersey (“Horizon BCBS”). Horizon BCBS was also a health care benefit program as defined by Title 18, United States Code, Section 24(b). Under the contract, Horizon BCBS was responsible for paying claims for medical services incurred by eligible participants and their beneficiaries of the Benefit Plan. The Horizon BCBS policy specifically provided insurance payments for only full-time employees of Signatory Employer companies and Local 2326 employees who were eligible to participate in the Benefit Plan. The Benefit Plan remitted premiums to Horizon BCBS that were funded by contributions from Signatory

Employers.

d. On or about June 30, 2011, the policy coverage under the Horizon BCBS plan ended. However, Horizon BCBS continued to honor, and pay for, medical expenses incurred on or before the June 30, 2011 deadline.

e. Defendant LAWRENCE ACKERMAN (hereinafter "ACKERMAN") was the Chief Operating Officer of Atlantic Business Associates ("ABA"), Atlantic Medical Associates ("AMA"), AMLaw, Atlantic International Group ("AIG") and Pro-Tech Automotive Services. In actuality ABA and AMA were "shell" companies created by ACKERMAN through which he marketed health insurance nationally to persons who were not in fact employees of ABA/AMA. He used ABA/AMA to create the appearance of employment status for individuals who were improperly seeking health care coverage through the Benefit Plan. ACKERMAN treated ABA and AMA essentially as one and the same entity.

Collective Bargaining Agreement

f. On or about April 1, 2008, ACKERMAN, on behalf of ABA, entered into a collective bargaining agreement with Local 2326 ("2008 CBA"). The 2008 CBA contained rules for the union and the Signatory Employer governing, among other things, wages, hours and other conditions of employment for employees subject to the 2008 CBA, including the provision of health care benefits. The term of the 2008 CBA extended until April 1, 2011, and became automatically renewable on a year to year basis. At the time of

the signing and thereafter, neither ABA nor AMA had any full-time employees eligible for participation in the Benefit Plan, as required by the 2008 CBA and the Benefit Plan's Trust Agreement.

2. From on or about January 1, 2011 through on or about January 31, 2011, in Essex County, in the District of New Jersey and elsewhere, the defendant,

LAWRENCE ACKERMAN,

did knowingly and intentionally commit an offense against the United States, namely: to willfully execute and attempt to execute a scheme to defraud Horizon BCBS and to obtain, by means of false and fraudulent pretenses, representations and promises, money and property owned by and under the custody and control of Horizon BCBS, in connection with the delivery of and payment for health care benefits and services to the Benefit Plan; that is, a scheme involving the enrollment of ineligible participants who were purported employees of ABA and AMA, both sham companies, in the Benefit Plan and resulting in the loss of approximately Four Hundred Eighty One Thousand Five Hundred Dollars (\$481,500) by Horizon BCBS because of its payment of health care benefits for persons not eligible to receive such benefits.

All in violation of Title 18, United States Code, Section 1347 and Section 2.


Craig Carpenito
United States Attorney

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18 U.S.C. §§ 1347 & 2

CRAIG CARPENITO

UNITED STATES ATTORNEY, NEWARK, NEW JERSEY

V. GRADY O'MALLEY

SENIOR LITIGATION COUNSEL

NEWARK, NEW JERSEY

973-645-2725
