

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 13-
:
v. : 18 U.S.C. § 1341 and § 2
:
GERARDO A. BLASI : HON.

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:

1. At all times relevant to this Information:

A. Defendant GERARDO A. BLASI ("defendant BLASI") was employed by the New Jersey Turnpike Authority (the "NJTA") as a claims manager.

B. The NJTA was an agency of the State of New Jersey whose primary mission was to construct, maintain, repair, and operate the New Jersey Turnpike, and other New Jersey roadways, to fix and establish tolls, and to issue revenue bonds and notes.

C. As a claims manager for the NJTA, defendant BLASI's responsibilities included, but were not limited to, dealing with the insurance companies of motorists who caused damage to property belonging to the NJTA. In defendant BLASI's interactions with the insurance companies, he regularly would provide them with the necessary paperwork to establish that damage had been done to

NJTA property, the cost to repair the damage, and proof that the damage was caused by the motorists insured by the insurance companies. Upon submitting paperwork to the insurance companies, defendant BLASI would attempt to collect the cost of the repairs from those insurance companies. Defendant BLASI also had the authority to negotiate settlements for lesser amounts.

D. Company 1 was a New Jersey based franchise of a nationwide claims adjusting company whose main business was to investigate and provide adjusting services to the major property and casualty insurance carriers in the United States. Company 1 was run by its President (the "Representative of Company 1").

E. Company 2 also was a New Jersey based claims adjusting company that was also run by its President (the "Representative of Company 2").

2. From in or about May 2009 to in or about June 2013, in the District of New Jersey and elsewhere defendant

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did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud the NJTA and certain insurance companies and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

3. It was part of the scheme and artifice to defraud that:

A. In or about May 2009, defendant BLASI agreed with the Representative of Company 1 to hire Company 1 to perform the insurance claims adjusting for the NJTA. Defendant BLASI reached this agreement with the Representative of Company 1 without obtaining permission from anyone at the NJTA. As part of the agreement, it was Company 1's responsibility to evaluate the damage caused by the insured motorist, create an estimate of the cost to repair the damage, and negotiate with the particular insurance company to arrive at a repair amount. Defendant BLASI and Company 1 would inflate the cost of repairing the damage caused by the insured motorist and submit the inflated cost to the insurance company. After the insurance company and Company 1 reached an agreement on the inflated payment amount, Company 1 would request that the check issued by that insurance company for the inflated cost of repairing the damage be made payable to Company 1 and mailed to Company 1's address in Saddle Brook, New Jersey. Upon receiving this check made payable to Company 1 for the inflated cost of repairs via the mail, the Representative of Company 1 would issue a check made payable to the NJTA for the correct amount of the cost of repairs. Defendant BLASI and the Representative of Company 1 would share the difference between the inflated cost and the amount given to the NJTA by Company 1. Defendant

BLASI and the Representative of Company 1 continued with this aspect of the scheme until in or about June 2013.

B. In or about October 2011, defendant BLASI agreed with the Representative of Company 2 to investigate accidents on the New Jersey Turnpike and determine the cost of the repairs. Defendant BLASI reached this agreement without ever obtaining permission from the NJTA to do so. After Company 2 determined the cost to repair to the damage done to the New Jersey Turnpike by the motorist, defendant BLASI and Company 2 would increase the cost estimate and submit the inflated cost to the insured motorists' particular insurance company on behalf of the NJTA. After that insurance company agreed to pay the inflated cost of repairs, the insurance company would issue a check made payable to Company 2 for the inflated cost of repairs. Once Company 2 received the check via the mail, Company 2 would then issue a check made payable to the NJTA for the original and accurate cost of the repairs. Defendant BLASI and the Representative of Company 2 then would share the difference between the estimated cost paid by the particular insurance company to Company 2 and the actual cost to repair the damage done to the New Jersey Turnpike. Defendant BLASI and the Representative of Company 2 continued with this aspect of the scheme until in or about June 2013.

C. From in or about October 2011 to June 2013, defendant BLASI and the Representative of Company 2 submitted to insurance companies the estimated cost to repair the damages to the New Jersey Turnpike which were caused by motorists who died during accidents. In doing so, defendant BLASI took advantage of a change in NJTA policy where the NJTA had decided that it would no longer attempt to recover on damages caused by motorists who died from accidents on the New Jersey Turnpike. Hence, defendant BLASI did not have the permission to recover such costs for the NJTA. After the particular insurance company agreed to pay for the damage caused by the deceased, the Representative of Company 2 would request that the particular insurance company mail the payment directly to Company 2, and not NJTA. When those checks from that insurance company arrived, the Representative of Company 2 would deposit the check in Company 2's bank account. Thereafter, defendant BLASI and the Representative of Company 2 would share the proceeds from the checks. Neither defendant BLASI or the Representative of Company 2 sent proceeds from these checks to the NJTA between in or about October 2011 and in or about June 2013.

4. As a result of this scheme and artifice to defraud, defendant BLASI and others defrauded the NJTA and various insurance companies of at least approximately \$1,500,000.

5. On or about the dates listed below, in Bergen County, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendant

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placed and caused to be placed in a post office and authorized depository for mail matter to be sent and delivered by the United States Postal Service, and did take and receive therefrom such matter including the following:

DATE (ON OR ABOUT)	MAILING
October 24, 2011	A check was mailed from a nationwide insurance company to the Representative of Company 2. This check listed the claimant as the NJTA and it was made payable to Company 2 in the amount of \$75,000.
December 23, 2011	A check was mailed from a nationwide insurance company to the Representative of Company 2. The check listed defendant BLASI as the claimant and it was made payable to Company 2 in the amount of \$30,000.
February 14, 2013	A check was mailed from a nationwide insurance company to the Representative of Company 1. The check listed the NJTA as the claimant and it was made payable to Company 1 in the amount of \$50,000.

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



PAUL J. FISHMAN
United States Attorney