

SUPERIOR COURT OF N.J.
REC'D

JUN 20 2007

Andrew J. Pity
Acting Clerk

FILED

JAN 06 2009

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - CRIMINAL

SUPERIOR COURT
CLERK'S OFFICE

State Grand Jury

Docket Number SGJ543-07-1

Superior Court

Docket Number _____

STATE OF NEW JERSEY)

v.)

JUSTIN M. SCIARRA)

INDICTMENT

PAUL W. HOPKINS, JR.)

PAUL BROWN)

ADRIENNE HOPKINS)

SCIARRA INSURANCE AGENCY)

AJAX ENTERPRISES, INC.)

also known as

AJAX LEASING, INC.)

AJEX ENTERPRISES, INC.)

UJEX ENTERPRISES, INC.)

Q-TOWN, INC.)

HOMESTEAD ASSURANCE)

BROKERAGE, INC.

AMERICA'S PEO, INC.)

also known as

AMERICA'S PEO HOLDINGS, INC.)

also known as

STAFF AMERICA)

and)

PTD FINANCIAL LTD.)

The Grand Jurors of and for the State of New Jersey, upon
their oaths, present that:

COUNT ONE

(Conspiracy to Commit Racketeering - Second Degree)

JUSTIN M. SCIARRA

PAUL W. HOPKINS, JR.

PAUL BROWN

ADRIENNE HOPKINS

SCIARRA INSURANCE AGENCY, INC.

AJAX ENTERPRISES, INC.

AJEX ENTERPRISES, INC.

UJEX ENTERPRISES, INC.

Q-TOWN, INC.

HOMESTEAD ASSURANCE BROKERAGE

AMERICA'S PEO, INC.

and

PTD FINANCIAL, LTD.

who are named as defendants herein, at the times and places herein specified, with the purpose of promoting and facilitating the commission of the crime of racketeering, did commit the crime of conspiracy, that is, the defendants did agree that:

A. One or more of them knowingly would engage in conduct which would constitute the crime of racketeering, and

B. One or more of them knowingly would aid the others in the planning, solicitation and commission of the crime of

racketeering, that is:

One or more of the defendants, being persons employed by or associated with an enterprise, which enterprise was engaged in and the activities of which affected trade or commerce, would conduct and participate, directly and indirectly, in the conduct of the enterprise's affairs through a pattern of racketeering activity, in violation of N.J.S.A. 2C:41-2c and N.J.S.A. 2C:2-7, all as hereinafter described.

THE RELEVANT TIMES

1. The conspiracy occurred between in or about August 1, 1996, and in or about July 26, 2002.

THE RELEVANT PLACES

2. The conspiracy took place at the Township of Brigantine, in the County of Atlantic; at the Township of Audubon and at the Township of Cherry Hill, in the County of Camden; at the Township of Medford, at the Township of Moorestown, at the Township of Marlton and at the Township of Mount Laurel, all in the County of Burlington; elsewhere and within the jurisdiction of this Court.

THE ENTERPRISE

3. SCIARRA INSURANCE AGENCY; AJAX ENTERPRISES, INC.; AJEX ENTERPRISES, INC.; UJEX ENTERPRISES, INC.; HOMESTEAD ASSURANCE BROKERAGE, all being Delaware corporations; Q-TOWN, INC., a Pennsylvania corporation; and AMERICA'S PEO, INC. and PTD

FINANCIAL LTD., both being New Jersey corporations; and officers of the said corporations, including the said JUSTIN M. SCIARRA, PAUL W. HOPKINS, JR., PAUL BROWN, and ADRIENNE HOPKINS, who would constitute a group of individuals associated in fact with the said corporations, all of which engaged in and the activities of which affected trade and commerce, and which constituted an enterprise within the meaning of N.J.S.A. 2C:41-1c.

THE PURPOSES OF THE ENTERPRISE

4. It was a part of the conspiracy that the purpose of the participants and associates of the enterprise would include obtaining money and benefits for the members and associates of the enterprise primarily in the following ways:

A. Engaging in repeated acts of theft by failure to make required disposition of property, in violation of N.J.S.A. 2C:20-9;

B. Engaging in repeated acts of theft of services, in violation of N.J.S.A. 2C:20-8;

C. Engaging in repeated acts of misconduct by corporate official, in violation of N.J.S.A. 2C:2C:21-9c; and

D. Engaging in repeated acts of financial facilitation of criminal activity, in violation of N.J.S.A. 2C:21-25.

THE PATTERN OF RACKETEERING ACTIVITY

5. In order to achieve the purposes of the participants

and associates of the enterprise, one or more of the co-conspirators would employ one or more of the following means and methods:

A. At the above identified New Jersey locations, the co-conspirators would operate employee leasing companies, insurance brokerages, and other businesses, that is, SCIARRA INSURANCE AGENCY; AJAX ENTERPRISES, INC.; AJEX ENTERPRISES, INC.; UJEX ENTERPRISES, INC.; HOMESTEAD ASSURANCE BROKERAGE; Q-TOWN, INC.; AMERICA'S PEO, INC.; and PTD FINANCIAL LTD., to purposely and unlawfully obtain monies from their clients under the false pretense of using said monies to pay premiums for workers' compensation insurance coverage to insurance carriers;

B. That the co-conspirators would purposely and unlawfully issue certificates of insurance purporting to have obtained valid workers' compensation insurance coverage for their clients, when no such insurance coverage for their clients had been obtained;

C. That the co-conspirators would purposely and unlawfully transfer and use monies obtained from and entrusted by their clients for the purpose of paying workers' compensation insurance premiums for their own benefit, which transfers and which uses were not authorized by their clients;

D. That the co-conspirators would purposely and unlawfully make false or misleading statements, representations,

submissions, or omitting relevant and material information, such as misclassifications of employees and misstating employee payroll, to insurance carriers, insurance brokerages, or government agencies for the purpose of obtaining workers' compensation insurance coverage from various insurance carriers, including AMERICAN INTERNATIONAL GROUP, INC.; NATIONAL UNION FIRE INSURANCE, CO.; GRANITE STATE INSURANCE CO.; LEGION INSURANCE, CO.; AMERICAN ALTERNATIVE INSURANCE CO.; TIG INSURANCE CO.; OLD GUARD INSURANCE CO.; FEDERAL GUARANTY INSURANCE UNDERWRITERS; AND THE ST. PAUL COMPANIES, hereinafter "carriers."

E. That the co-conspirators would purposely and unlawfully make false or misleading statements, representations, submissions on, or omit relevant and material information to the carriers from, applications for workers' compensation insurance coverage for the purpose of evading payment or full payment of premiums;

F. That the co-conspirators would purposely and unlawfully refuse to submit to carrier audits, or did provide falsified or misleading information during such audits, or did withhold relevant and material information from the carriers' auditors for the purpose of evading payment or full payment of premiums;

E. That the co-conspirators would purposely and unlawfully submit workers' compensation insurance claims

containing false or misleading statements, representations, submissions, or omitting relevant and material information to the carriers, their representatives, insurance brokerages, or government agencies for the purpose of obtaining workers' compensation insurance benefits from the said carriers.

G. That the co-conspirators would purposely and unlawfully conceal their theft of monies, which were entrusted to them by clients for payment of workers' compensation insurance premiums, by transferring said monies to various bank accounts under their control or to corporations and entities under their control;

THE ROLE OF THE DEFENDANTS

6. The defendants did agree that they would participate, directly and indirectly, in the conduct of the affairs of the enterprise in the following ways, among others:

A. JUSTIN M. SCIARRA, would participate as an officer of SCIARRA INSURANCE AGENCY; AJAX ENTERPRISES, INC.; AJEX ENTERPRISES, INC.; UJEX ENTERPRISES, INC.; HOMESTEAD ASSURANCE BROKERAGE; and Q-TOWN, INC., and would direct and control the operation of those corporations to include negotiating employee leasing agreements with clients, obtaining workers' compensation coverage from various insurance carriers, and controlling payments made to and from SCIARRA INSURANCE AGENCY; AJAX ENTERPRISES, INC.; AJEX ENTERPRISES, INC.; UJEX ENTERPRISES,

INC.; HOMESTEAD ASSURANCE BROKERAGE; Q-TOWN, INC. He would additionally direct and control the response to claims for workers' compensation insurance benefits made by employees of AJAX ENTERPRISES, INC.; AJEX ENTERPRISES, INC.; UJEX ENTERPRISES; Q-TOWN, INC.; and AMERICA'S PEO, INC.

B. PAUL HOPKINS would participate as a founder and corporate officer of AMERICA'S PEO, INC., and would direct and control the operation of AMERICA'S PEO, INC. to include marketing its employee leasing services, soliciting customers for the same, and obtaining workers' compensation insurance coverage. In addition, PAUL HOPKINS would also assist JUSTIN SCIARRA and PAUL BROWN by finding and soliciting customers for the services of AJAX ENTERPRISES, INC.; AJEX ENTERPRISES, INC.; UJEX ENTERPRISES, INC.; and HOMESTEAD ASSURANCE BROKERAGE.

C. PAUL BROWN would participate as a corporate officer of HOMESTEAD ASSURANCE BROKERAGE, INC., and as an office and billing manager for SCIARRA INSURANCE AGENCY; AJAX ENTERPRISES, INC.; AJEX ENTERPRISES, INC.; UJEX ENTERPRISES, INC.; HOMESTEAD ASSURANCE BROKERAGE; and Q-TOWN, INC. As such he would assist JUSTIN M. SCIARRA in controlling the manner in which payments were made to and from SCIARRA INSURANCE AGENCY; AJAX ENTERPRISES, INC.; AJEX ENTERPRISES, INC.; UJEX ENTERPRISES, INC.; HOMESTEAD ASSURANCE BROKERAGE; and Q-TOWN, INC.

D. ADRIENNE HOPKINS would participate as a founder

and corporate officer of AMERICA'S PEO, INC. and PTD FINANCIAL, LTD. As such she would assist PAUL HOPKINS in controlling the finances of and payments from AMERICA'S PEO, INC. to PTD FINANCIAL, LTD.

E. SCIARRA INSURANCE AGENCY, INC. would serve as one of the locations where monies from victims were misappropriated.

F. AJAX ENTERPRISES, INC. would serve as one of the locations where fraudulent statements and misrepresentations were made to carriers, fraudulent certificates of insurance were issued to clients, and where monies from victims were misappropriated.

G. AJEX ENTERPRISES, INC. would serve as one of the locations where fraudulent statements and misrepresentations were made to carriers, fraudulent certificates of insurance were issued to clients, and where monies from victims were misappropriated.

H. UJEX ENTERPRISES, INC. would serve as one of the locations where fraudulent statements and misrepresentations were made to carriers, fraudulent certificates of insurance were issued to clients, and where monies from victims were misappropriated.

I. Q-TOWN, INC. would serve as one of the locations where fraudulent statements and misrepresentations were made to carriers and where fraudulent certificates of insurance were

issued to clients.

J. HOMESTEAD ASSURANCE BROKERAGE, INC. would serve as one of the locations where fraudulent statements and misrepresentations were made to carriers and other victims, fraudulent certificates of insurance were issued to clients, and where monies from victims were misappropriated.

K. AMERICA'S PEO, INC. would serve as one of the locations where fraudulent statements and misrepresentations were made to clients and where monies from victims were misappropriated.

L. PTD FINANCIAL, LTD. would serve as one of the locations where monies from victims were misappropriated.

PATTERN OF RACKETEERING ACTIVITIES

7. The pattern of racketeering activity, as defined in N.J.S.A. 2C:41-1d, would consist of at least two incidents of racketeering activity, including theft of services, N.J.S.A. 2C:20-8; theft by failure to make required disposition of property received, N.J.S.A. 2C:20-9; financial facilitation of crime N.J.S.A. 2C:21-25; and misconduct by corporate official, N.J.S.A. 2C:21-9c.

All in violation of N.J.S.A. 2C:41-2d, N.J.S.A. 2C:2-7 and N.J.S.A. 2C:5-2, and against the peace of this State, the government and dignity of the same.

COUNT TWO

(Racketeering - Second Degree)

JUSTIN M. SCIARRA

PAUL W. HOPKINS, JR.

PAUL BROWN

ADRIENNE HOPKINS

SCIARRA INSURANCE AGENCY, INC.

AJAX ENTERPRISES, INC.

AJEX ENTERPRISES, INC.

UJEX ENTERPRISES, INC.

Q-TOWN, INC.

HOMESTEAD ASSURANCE BROKRAGE

AMERICA'S PEO, INC.

and

PTD FINANCIAL, LTD.

between on or about August 1, 1996, and on or about July 26, 2002, at the Township of Brigantine, in the County of Atlantic; at the Township of Audubon and at the Township of Cherry Hill, both in the County of Camden; at the Township of Medford, at the Township of Moorestown, at the Township of Marlton and at the Township of Mount Laurel, all in the County of Burlington; elsewhere and within the jurisdiction of this Court, did commit the crime of racketeering, being persons employed by or

associated with an enterprise as defined in Count One of this Indictment, which enterprise engaged in and the activities of which affected trade and commerce, knowingly did conduct and participate, directly and indirectly, in the conduct of the enterprise's affairs through a pattern of racketeering activity, as also defined in Count One of this Indictment and incorporated by reference herein, that is, by the commission of two or more incidents of racketeering conduct set forth as follows:

A. ACTS OF RACKETEERING PERTAINING TO THEFT BY FAILURE TO MAKE REQUIRED DISPOSITION OF PROPERTY RECEIVED

JUSTIN M. SCIARRA

PAUL W. HOPKINS, JR.

PAUL BROWN

SCIARRA INSURANCE AGENCY, INC.

AJAX ENTERPRISES, INC.

AJEX ENTERPRISES, INC.

UJEX ENTERPRISES, INC.

Q-TOWN, INC.

HOMESTEAD ASSURANCE BROKERAGE

and

AMERICA'S PEO, INC.

did commit multiple acts of theft by failure to make required disposition of property received as alleged in Count Four of this

indictment by purposely obtaining or retaining property belonging to another upon agreement or subject to a known legal obligation to make specified payment or other disposition in an amount that is \$75,000 or more, by dealing with said property as his own and failing to make the required disposition or payment, that is, by obtaining and failing to make the required disposition of monies entrusted to them by clients for the payment of workers' compensation insurance premiums, contrary to the provisions of N.J.S.A. 2C:20-9.

B. ACTS OF RACKETEERING PERTAINING TO ATTEMPTED THEFT OF SERVICES.

JUSTIN M. SCIARRA

PAUL W. HOPKINS, JR.

PAUL BROWN

SCIARRA INSURANCE AGENCY, INC.

AJAX ENTERPRISES, INC.

AJEX ENTERPRISES, INC.

UJEX ENTERPRISES, INC.

Q-TOWN, INC.

HOMESTEAD ASSURANCE BROKERAGE

and

AMERICA'S PEO, INC.

did commit multiple acts of attempted theft of services as alleged in Count Five of this Indictment by purposely attempting

to obtain the services of another which they knew are available only for compensation by deception, including through fraudulent statements, to avoid payment for the services, in the amount of \$75,000 or more, by fraudulently misrepresenting the true nature of their employee leasing business, the classifications of employees, employee payroll amounts, and the actual employers of workers to obtain workers' compensation insurance coverage and benefits for their own benefit or the benefit of another who was not entitled thereto, contrary to the provisions of N.J.S.A. 2C:20-8 and N.J.S.A. 2C:5-1.

C. ACTS OF RACKETEERING PERTAINING TO MISCONDUCT BY CORPORATE OFFICIAL.

JUSTIN M. SCIARRA

PAUL W. HOPKINS, JR.

PAUL BROWN

and

ADRIENNE HOPKINS

did commit multiple acts of misconduct by corporate official as alleged in Counts Six, Seven, and Eight of this Indictment by purposely using, controlling and operating, SCIARRA INSURANCE AGENCY; AJAX ENTERPRISES, INC.; AJEX ENTERPRISES, INC.; UJEX ENTERPRISES, INC.; HOMESTEAD ASSURANCE BROKERAGE; Q-TOWN, INC.; AMERICA'S PEO, INC.; and PTD FINANCIAL, LTD. for the furtherance or promotion of the criminal objects as defined in Counts Four, Five, and Nine of this Indictment in the amount of \$75,000 or

more, contrary to the provisions of N.J.S.A. 2C:21-9c.

D. ACTS OF RACKETEERING PERTAINING TO FINANCIAL FACILITATION OF CRIMINAL ACTIVITY.

JUSTIN M. SCIARRA

PAUL W. HOPKINS, JR.

PAUL BROWN

and

ADRIENNE HOPKINS

did commit multiple acts of financial facilitation of criminal activity as alleged in Count Nine of this Indictment by knowingly engaging in a transaction involving property, in the amount of \$75,000 or more, known to be derived from criminal activity, or knowing that the transaction was designed in whole or in part to conceal or disguise the nature, location, source, ownership or control of the property derived from the criminal activity as alleged in Count Four and Count Five of this Indictment, that is, by knowingly transferring monies of the victims of their criminal activity through various banking transactions into their possession and for their own benefit, contrary to the provisions of N.J.S.A. 2C:21-9c.

FORFEITURES

1. All allegations of Count One and Two of this Indictment are hereby incorporated by reference and re-alleged as if fully set forth herein, for the purpose of alleging forfeitures pursuant to N.J.S.A. 2C:41-3b.

